

INDEPENDENT AUDITOR'S REPORT

To the Members of Life Surge Biosciences Pvt Ltd
Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of Life Surge Biosciences Pvt Ltd ("the Company"), which comprise the Balance Sheet as at 31st March 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at , 31st March 2020 , Its Loss including Other Comprehensive Income and its Cash flows, and the Statement of Changes in Equity for the year ended on that date.

Basis for Opinion

We conducted our audit 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 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701 are not applicable to the Company as it is an unlisted company.



Other Matter

The Financials Statements of the Company for the Year ended March 31, 2019, were audited by another auditor who expressed an unmodified opinion on those statements on August 8, 2019

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears, to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the Financial Position, Financial Performance including Other Comprehensive Income, Cash Flows and the Statement Of Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that we are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and fair presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. 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.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of 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, refer to our separate Report in "Annexure B".

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rules 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:

i. The Company does not have any pending litigations which would impact on its financial position.

ii. The Company did not have any material foreseeable losses on long-term contracts including derivative contracts that require provision under any law or accounting standards for which there were any material foreseeable losses; and

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Paresh Rakesh & Associates

Chartered Accountants

FRN: 119728W

Rakesh Chaturvedi

Partner

M. no: 102075

UDIN: 201020754AAAEK9855



Date: 30th June 2020

Place: Mumbai

"Annexure A" to Independent Auditors' Report referred to in Paragraph 1 under the heading of "Report on other legal and regulatory requirements" of our report of even date.

1. In respect of its Fixed Assets :

a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.

b) According to explanation provided to us the company has carried out physical verification of fixed assets, which in our opinion appears to be reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

c) According to the information, explanations and records given to us, we report that the Company does not hold any Immovable Property

2. In respect of its Inventories :

a) According to the information's and explanation given to us, Physical verification of inventory has been conducted, at reasonable intervals by the management .

b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

c). The Company has maintained proper records of inventories. As per records provided to us, there was no material discrepancies noticed on physical verification of inventories as compared to the book records, having regards to the size of the operations of the company

3. Since, the Company has not granted any Loans to parties covered in in the register maintained under Section 189 of the Companies Act, 2013 , the clause (iii) of paragraph 3 of the Order is not applicable to the Company.

4. Since, the Company has not granted any Loans, made Investments or provided guarantees , the clause (iv) of paragraph 3 of the Order is not applicable to the Company.

5. According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Therefore, the clause (v) of paragraph 3 of the Order is not applicable to the Company.

6. To the best of our knowledge and explanations given to us, the Central Government has not prescribed the maintenance of cost records under sub section (1) of Section 148 of the Act in respect of the activities undertaken by the Company.



7(a). According to the records examined by us, the Company has regularly deposited, undisputed statutory dues including Direct Taxes, Indirect Taxes and any other statutory dues with appropriate authorities and there were no outstanding dues as at 31st March 2020 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Direct or Indirect Taxes on account of any dispute, which have not been deposited.

8. In our opinion and according to the information and explanations given to us, the Company has not borrowed funds from financial institution or bank or debenture holders, hence clause (viii) of the Order is not applicable to the Company.

9. The company has not raised money by way of initial public offer or further public offer (including debt instruments) or term Loan and hence clause (ix) of paragraph 3 of the Order is not applicable to the Company.

10. Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per 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 year.

11. The company is a private limited company and hence provision of section 197 read with schedule V of the companies Act are not applicable. Accordingly, paragraph 3(xi) of the order is not applicable.

12. In our opinion company is not a nidhi company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the company.

13. In our opinion and according to the information and explanations given to us, in respect of transactions with related parties :

a)Section 177 of the Act is not applicable to the Company.

b)Company is in compliance with the section 188 of the Act and details have been disclosed in the financial statements etc., as required by the applicable accounting standards.

14. In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of Shares or fully or partly convertible debentures during the year and hence clause (xiv) of paragraph 3 of the Order is not applicable to the company.



15. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transaction with the directors or persons connected with him and covered under section 192 of the Act. Hence, clause (xv) of the paragraph 3 of the Order is not applicable to the Company.

16. In our opinion and according to the information and explanations given to us, The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Paresh Rakesh & Associates

Chartered Accountants

FRN: 119728W



Rakesh Chaturvedi

Partner

M. no: 102075

UDIN: 2010 2075
AAAA EK 9855

Date: 30th June 2020

Place: Mumbai



“Annexure B” to Independent Auditors’ Report referred to in paragraph 2(f) under the heading “Report on other legal and regulatory requirements” of our report of even date.

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

We have audited the Internal Financial Control over financial reporting of Life Surge Biosciences Pvt Ltd (“the company”) as of 31st March 2020, in conjunction with our audit of the financial statements of the Company for the year then ended.

Management Responsibility for the Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor’s Responsibility

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

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

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



Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

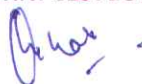
Opinion

In our opinion, considering nature of business, size of operations and organizational structure of the entity, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 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 on Audit of Internal Financial Controls over Financial reporting issued by the ICAI.

For Paresh Rakesh & Associates

Chartered Accountants

FRN: 119728W



Rakesh Chaturvedi

Partner

M. no: 102075

UDIN: 20102015AAAA

Date : 30th June 2020

Place: Mumbai



LIFESURGE BIOSCIENCES PRIVATE LIMITED
CIN: U24304MH2018PTC307496

Balancesheet as at

Balancesheet as at			
Particulars	Note No.	Amounts in Rs	
		March 31, 2020	March 31, 2019
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3	10,01,903	20,65,156
Intangible asset	3	5,669	15,389
Deferred tax Asset [Net]	4	1,23,13,153	-
		<u>1,33,20,725</u>	<u>20,80,545</u>
Current Assets			
Inventories	5	50,70,459	68,37,566
Financial Assets			
Trade Receivables	6	61,30,076	33,90,396
Cash and Cash Equivalents	7	80,597	2,68,929
Other Current Assets	8	22,06,149	25,04,413
		<u>1,34,87,281</u>	<u>1,30,01,304</u>
		<u>2,68,08,006</u>	<u>1,50,81,848</u>
Total Assets			
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	9	1,00,000	1,00,000
Other Equity	10	(7,15,82,572)	(3,62,77,166)
		<u>(7,14,82,572)</u>	<u>(3,61,77,166)</u>
Liabilities			
Non-Current Liabilities			
Provisions	11	64,752	-
Deferred tax Liability(net)	4	-	1,34,433
		<u>64,752</u>	<u>1,34,433</u>
Current Liabilities			
Financial Liabilities			
Borrowings	12	9,48,05,300	4,46,95,538
Trade Payables			
Total outstanding dues of micro enterprises and small enterprises	13	-	-
Total outstanding dues creditors other than micro enterprises and small enterprises	13	16,41,664	5,35,002
Other Financial Liabilities	14	4,10,688	15,14,799
Provisions	15	3,59,230	-
Other Current Liabilities	16	10,08,944	43,79,242
		<u>9,82,25,826</u>	<u>5,11,24,581</u>
		<u>2,68,08,006</u>	<u>1,50,81,848</u>
Total Equity and Liabilities			

Significant Accounting Policies

Notes to the Financial Statements

Significant Accounting Policies and Notes attached thereto form an integral part of Financial Statements

As per our attached report of even date
For Paresh Rakesh & Associates
Chartered Accountants

[Signature]

Rakesh Chaturvedi
Partner

Membership No: 102075

Place :- Mumbai

Date:- 30th June 2020

UDIN:- 20102075AAAA EK 9855



Abhishek Bansal
Director

DIN : 01445730

For and Behalf of the Board
LIFESURGE BIOSCIENCES PRIVATE LIMITED

Shriyam Bansal
Director

DIN : 03481102



LIFESURGE BIOSCIENCES PRIVATE LIMITED

Statement of Profit and Loss

Particulars	Note No.	Amount in Rs for the year ended March 31, 2020	Amount in Rs for the year ended March 31, 2019
REVENUE			
Revenue from Operations	17	1,68,18,182	53,91,156
Total Revenue (A)		1,68,18,182	53,91,156
EXPENDITURE			
Purchases		55,00,885	81,77,954
Change in inventory	18	17,67,107	(68,37,566)
Employee Benefits Expense	19	3,29,55,045	2,73,27,824
Finance Costs	20	74,74,280	16,74,738
Depreciation and Amortization Expenses	3	10,81,971	3,84,940
Other Expenses	21	1,57,87,460	1,08,05,999
Total Expenses (B)		6,45,66,749	4,15,33,889
Profit Before Exceptional Item and Tax [C = (A-B)]		(4,77,48,567)	(3,61,42,733)
Less: Tax Expense:			
Current Tax		-	-
Deferred Tax		(1,24,47,586)	1,34,433
Total (D)		(1,24,47,586)	1,34,433
Profit After Tax (C-D)		(3,53,00,981)	(3,62,77,166)
OTHER COMPREHENSIVE INCOME:			
Items not to be reclassified to profit or loss in subsequent periods		-	-
Income tax relating to items that will not be reclassified to profit or loss		-	-
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		(4,426)	-
Income tax relating to items that will be reclassified to profit or loss		-	-
Other Comprehensive Income for The Year, Net of Tax		(4,426)	-
Total Comprehensive Income for The Year, Net of Tax		(3,53,05,407)	(3,62,77,166)
Basic Earnings per Share of Face Value of Rs. 10 each (Rs.)		(3,530.10)	(3,627.72)
Diluted Earnings per Share of Face Value of Rs. 10 each (Rs.)		(3,530.10)	(3,627.72)
Refer Note No. 32			

Significant Accounting Policies

Notes to Accounts

Significant Accounting Policies and Notes attached thereto form an integral part of Financial Statements.

As per our attached report of even date
For Paresh Rakesh & Associates
Chartered Accountants


Rakesh Chaturvedi

Partner

Membership No: 102075

Place :- Mumbai

Date:-

UDIN :- 20102075 AAAA EK 9855




Abhishek Bansal

Director

DIN : 01445730

For and Behalf of the Board
LIFESURGE BIOSCIENCES PRIVATE LIMITED


Shriyam Bansal

Director

DIN : 03481102



LIFESURGE BIOSCIENCES PRIVATE LIMITED

Cash Flow Statement

Particulars	Amount in Rs March 31, 2020	Amount in Rs March 31, 2019
CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax as per Statement of Profit and Loss	(4,77,48,567)	-3,61,42,733
Adjustment for:		
Depreciation/ Amortisation	10,81,971	3,84,940
Employee defined benefit plan expenses	4,19,556	-----
Interest Expenses	74,67,549	16,64,649
Operating Profit before Working Capital Changes	(3,87,79,490)	(3,40,93,144)
Adjusted for :		
(Increase)/Decrease in Other Current Assets	2,98,264	(25,04,413)
(Increase)/Decrease in Inventories	17,67,107	(68,37,566)
(Increase)/Decrease in Trade Receivables	(27,39,680)	(33,90,396)
Increase/(Decrease) in Trade Payables	11,06,662	5,35,001
Increase/(Decrease) in Other Current Liabilities	(44,74,409)	58,94,040
Cash Generated from Operations	(4,28,21,546)	(4,03,96,478)
Net Cash from/(used in) Operating Activities (A)	(4,28,21,546)	(4,03,96,478)
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(8,999)	-24,65,483
Net Cash from Investing Activities (B)	(8,999)	(24,65,483)
CASH FLOW FROM FINANCING ACTIVITIES:		
Issue of equity shares	-----	1,00,000
Short term borrowings	5,01,09,762	4,46,95,538
Interest expenses	(74,67,549)	(16,64,649)
Net Cash from Financing Activities (C)	4,26,42,213	4,31,30,889
Net cash and cash equivalents (A + B + C)	(1,88,332)	2,68,928
Cash and cash equivalents at beginning of the period	2,68,928	-
Cash and cash equivalents at end of the period	80,596	2,68,928

Notes:-

- Cash flow statement has been prepared under Indirect method as set out in Ind AS 7 as per the Companies (Indian Accounting Standards) Rule 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rule, 2016.
- Previous years figures have been restated and regrouped wherever necessary.
- Figures in bracket indicates cash outflow .
- Components of cash and cash equivalents at the year end comprise of;

Balances with bank
Fixed deposits
Cash on hand

March 31, 2020	March 31, 2019
80,597	2,68,929
-----	-----
80,597	2,68,929

As per our attached report of even date
For Pareesh Rakesh & Associates
Chartered Accountants

Rakesh Chaturvedi
Partner
Membership No: 102075
Place :- Mumbai
Date:- 30th June 2020

UDIN:- 2010 2075 AAAAEK9855



For and Behalf of the Board
LIFESURGE BIOSCIENCES PRIVATE LIMITED

Abhishek Bansal
Director
DIN : 01445730

Shriyam Bansal
Director
DIN : 03481102



LIFESURGE BIOSCIENCES PRIVATE LIMITED

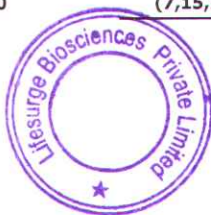
Statement of Change in Equity

A Equity Share Capital:

	<u>No of shares</u>	<u>Amount In Rs.</u>
Equity Shares of INR 10/- each, Issued, Subscribed and Fully Paid-up:		
As at April 1, 2018	-	-
Issued during the period	10,000	1,00,000
As at March 31, 2019	10,000	1,00,000
Issued during the period	-	-
As at March 31, 2020	10,000	1,00,000

B Other Equity:

<u>Particulars</u>	<u>Profit & Loss balance</u>	<u>Items of Other Comprehensive Income</u>	<u>Total (In Rs.)</u>
As at April 1, 2018	-	-	-
Profit during the year	(3,62,77,166)	-	(3,62,77,166)
As at March 31, 2019	(3,62,77,166)	-	(3,62,77,166)
Add: Profit for the year	(3,53,00,981)		(3,53,00,981)
Employee defined benefit obligation - (net of tax)		(4,426)	(4,426)
As at March 31, 2020	(7,15,78,147)	(4,426)	(7,15,82,573)



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LIFESURGE BIOSCIENCES PRIVATE LIMITED

Note :- 1.

Significant Accounting Policies and Notes to Accounts forming part of financial Statement for year ended March 31, 2020.

1) Nature of Operations

LifeSurge Biosciences Pvt. Ltd was incorporated in April 2018 and engages in to dealing in Pharmaceutical product. The company is a wholly-owned subsidiary of Abans Enterprises Ltd. and operates its business from Mumbai.

2) Summary of the significant accounting policies

(a) Basis of Preparation

The Financial Statement is prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended. The Company is a wholly owned subsidiary of an entity whose Equity shares are listed on recognised stock exchanges and accordingly it has prepared its Financial Statement under Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended

The Financial Statement have been prepared under historical cost convention basis except the following assets and liabilities which have been measured at fair value or revalued amounts.

1. Certain Financial Instruments measured at fair value through other comprehensive income (FVTOCI);
2. Certain Financial Instruments measured at fair value through Profit and Loss (FVTPL);
3. Defined Benefit Plan asset measured at fair value;

The functional and presentation currency of the company is Indian rupees. This financial statement is presented in Indian rupees. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

(b) Use of estimates

The preparation of this financial Statement in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates, judgments and assumptions. This estimates, judgments and assumptions affect application of accounting policies and the reported amount of assets, liabilities, disclosure of contingent assets and liabilities at the date of financial Statement and the reported amount of income and expenses for the periods presented. Although this estimates are based on the management's best knowledge of current events and actions, uncertainty about this assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Accounting estimates could change from period to period. Any revision to accounting estimates is recognised prospectively. Actual results could differ from the estimates. Any difference between the actual results and estimates are recognised in the period in which the results are known/materialize. In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial Statement are as below:

1. Valuation of Financial Instruments;
2. Valuation of inventories;
3. Evaluation of recoverability of deferred tax assets;
4. Useful lives of property, plant and equipment and intangible assets;
5. Obligations relating to employee benefits;
6. Provisions and Contingencies;
7. Provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions; and
8. Recognition of Deferred Tax Assets.

(c) Property, plant and equipment (PP&E)

An item of property, plant and equipment that qualifies for recognition as an asset shall be measured at its cost. Cost comprises of the purchase price and any attributable / allocable cost of bringing the asset to its working condition for its intended use. Cost also includes direct cost and other related incidental expenses.

Depreciation is provided from the date the assets are ready to be put to use, as per written down value (WDV) method over the useful life of the assets, as prescribed under Part C of Schedule II of the Companies Act, 2013.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognized in the statement of profit and loss within 'other income' or 'other expenses' respectively.

(d) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Cost comprises the acquisition price, development cost and any attributable / allocable incidental cost of bringing the asset to its working condition for its intended use.

All finite-lived intangible assets, are accounted for using the cost model whereby intangible assets are stated at cost less accumulated amortisation and impairment losses, if any. Intangible assets are amortised over the useful life. Residual values and useful lives are reviewed at each reporting date.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in the statement of profit and loss within 'other income' or 'other expenses' respectively.

(e) 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. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

(h) Inventories

Items of Inventory are measured at lower of the cost and Net Realizable value. Cost of inventory comprises of cost of purchase and other cost incurred to acquire it. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 3 months from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.



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LIFESURGE BIOSCIENCES PRIVATE LIMITED

Note :- 1.

Significant Accounting Policies and Notes to Accounts forming part of financial Statement for year ended March 31, 2020.

(m) Provisions and Contingencies

A provision is recognised when:

1. The Company has a present obligation as a result of a past event;
2. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
3. A reliable estimate can be made of the amount of the obligation.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Company is virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

(n) 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.

Recognition, initial measurement and derecognition :-

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

1. The rights to receive cash flows from the asset have expired, or
2. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

1. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

Debt instruments at fair value through profit or loss : FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

2. Debt instruments at Amortised cost: A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b. 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. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the statement of profit and loss.

3. Equity instruments

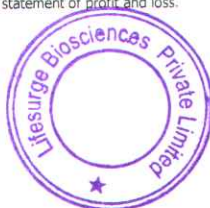
All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of Profit and Loss.

Impairment of financial assets

The Company follows 'simplified approach' to recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit and loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, ECLs are measured at an amount equal to the 12 Month ECL, unless there has been a significant increase in Credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in the statement of profit and loss.



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LIFESURGE BIOSCIENCES PRIVATE LIMITED

Note :- 1.

Significant Accounting Policies and Notes to Accounts forming part of financial Statement for year ended March 31, 2020.

Classification and subsequent measurement of financial liabilities

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade payables, other payables, loans and borrowings

The Company classifies all financial liabilities as subsequently measured at amortised cost.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derivative financial instruments

The Company trades in derivative financial instruments. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

(o) Fair value measurement

The Company measures financial instruments such as, investment in equity shares, at fair value on initial recognition

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:

1. In the principal market for the asset or liability, or
2. 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.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial Statement are categorised 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:

1. Level 1 - Inputs are quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
2. Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
3. Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

(P) 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, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government

1. Sale of goods: Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is exclusive of tax which is collected on behalf of government.
2. Other income: Other income is recognized only when it is reasonably certain that the ultimate collection will be made.

(i) Income taxes

Tax expense recognised in the statement of profit and loss comprises the sum of deferred tax and current tax not recognised in OCI or directly in equity.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income-tax Act. Current income tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and loss (either in OCI or in equity).

Deferred income taxes are calculated using the liability method. Deferred tax liabilities are generally recognised in full for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss, unused tax credits or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant nontaxable income and expenses and specific limits on the use of any unused tax loss or credit. Unrecognised 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 realised 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 statement of profit and loss is recognised outside statement of profit and loss (either in OCI or in equity).

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 taxation authority.

(k) Borrowing costs



LIFESURGE BIOSCIENCES PRIVATE LIMITED

Note :- 1.

Significant Accounting Policies and Notes to Accounts forming part of financial Statement for year ended March 31, 2020.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

(l) Employee benefits

1. **Defined contribution plans :-** Contributions payable by the Company to the concerned Government authorities in respect of Provident Fund, Family Pension Fund, Employees State Insurance and labour welfare fund charged to the Statement of Profit and Loss.
2. **Defined benefit plans :-** Gratuity is in the nature of a defined benefit plan. Provision for gratuity is calculated on the basis of actuarial valuations carried out at balance sheet date and is charged to the statement of profit and loss. The actuarial valuation is performed using the projected unit credit method. Remeasurement, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised 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.
3. **Other employee benefits :-** Leave encashment is recognised (as and when they accrue) as an expense in the statement of profit and loss in line with the leave policy of the Company.

(m) Earnings per share

Basic earnings per share is calculated by dividing the net profit / (loss) for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit / (loss) for the year attributable to equity shareholders and the weighted average numbers of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted at the beginning of the year and not issued at a later date.

In computing the diluted EPS, potential equity shares that either increase earnings per share or decrease loss per equity share, being anti-dilutive are ignored.

(l) Segment Reporting Policies:

The Company Operates in to single segment of trading of Pharmaceutical product and hence, segment reporting under IND AS 108 is not applicable to the Company.



2. First Time IND AS Adoption Reconciliations

I First Time Adoption of IND AS

These are the company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended 31 March 2020, the comparative information and presentation of an opening IND AS balance sheet presented in these financial statements for the year ended 31 March 2019 (the Company's date of transition). Since the company was incorporated on 4th April 2018, figures as on 1st April 2018 are not provided. In preparing its opening Ind AS balance sheet, the Company has adjusted the amount reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position and financial performance is set out in the following tables and notes.

II Exemptions from Retrospective Application

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

Deemed cost for Property, Plant and Equipment (PPE).

Ind AS 101 permits a first time adopter to continue with the carrying value for all its property, plant and equipment, intangible assets and investment property as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Accordingly, the company has elected to measure all of its Property, Plant and Equipment (PPE) at their previous GAAP carrying values.

2.1 Effect of Ind AS adoption on the balance sheet as at 31st March 2019

Particulars	NOTE	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
ASSETS				
Non-Current Assets				
Property, Plant and Equipment		20,65,156	-	20,65,156
Intangible asset		15,389	-	15,389
Deferred tax Asset [Net]		-	-	-
		<u>20,80,545</u>	<u>-</u>	<u>20,80,545</u>
Current Assets				
Inventories		68,37,566	-	68,37,566
Financial Assets				
Trade Receivables		33,90,396	-	33,90,396
Cash and Cash Equivalents		2,68,929	-	2,68,929
		<u>25,65,123</u>	<u>(60,710)</u>	<u>25,04,413</u>
Other Current Assets		<u>1,30,62,014</u>	<u>(60,710)</u>	<u>1,30,01,304</u>
		<u>1,51,42,558</u>	<u>(60,710)</u>	<u>1,50,81,848</u>
Total Assets				
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital		1,00,000	-	1,00,000
Other Equity		<u>(3,62,77,166)</u>	<u>-</u>	<u>(3,62,77,166)</u>
		<u>(3,61,77,166)</u>	<u>-</u>	<u>(3,61,77,166)</u>
Liabilities				
Non-Current Liabilities				
Provisions				
Deferred tax Liability(net)		<u>1,34,433</u>	<u>-</u>	<u>1,34,433</u>
		<u>1,34,433</u>	<u>-</u>	<u>1,34,433</u>
Current Liabilities				
Financial Liabilities				
Borrowings		4,61,93,722	(14,98,184)	4,46,95,538
Trade Payables				
Total outstanding dues of micro enterprises and small enterprises				
Total outstanding dues creditors other than micro enterprises and small enterprises		5,51,617	(16,615)	5,35,002
		-	15,14,799	15,14,799
Other Financial Liabilities				
Provisions		<u>44,39,952</u>	<u>(60,710)</u>	<u>43,79,242</u>
Other Current Liabilities		<u>5,11,85,291</u>	<u>(60,710)</u>	<u>5,11,24,581</u>
		<u>1,51,42,558</u>	<u>(60,710)</u>	<u>1,50,81,848</u>
Total Equity and Liabilities				



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2.2 Effect of Ind AS adoption on the statement of profit and loss for the year ended March 31 2019

Particulars	Year ended 31st March, 2019		
	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
REVENUE			
Revenue from Operations	53,91,156	-	53,91,156
Total Revenue (A)	53,91,156	-	53,91,156
EXPENDITURE			
Purchases	81,77,954	-	81,77,954
Change in inventory	(68,37,566)	-	(68,37,566)
Employee Benefits Expense	2,73,27,824	-	2,73,27,824
Finance Costs	16,65,433	(9,305)	16,74,738
Depreciation and Amortization Expenses	3,84,940	-	3,84,940
Other Expenses	1,08,15,304	9,305	1,08,05,999
Total Expenses (B)	4,15,33,889	-	4,15,33,889
Profit Before Exceptional Item and Tax [C = (A-B)]	(3,61,42,733)	-	(3,61,42,733)
Less: Tax Expense:			
Current Tax			-
Deferred Tax	1,34,433	-	1,34,433
Total (D)	1,34,433	-	1,34,433
Profit After Tax (C-D)	(3,62,77,166)	-	(3,62,77,166)

2.3 Reconciliation of Profit & Other Equity between Ind AS and Previous GAAP

Notes on transition to Ind AS:

1 Equity Reconciliation

The above changes increased / (decreased) total equity as follows:

Particulars	Note No.	(Amount in Rs.) March 31, 2019
Equity as per Previous GAAP		(3,61,77,166)
Adjustment in Equity due to Transition to Ind AS		
Tax impact of above mentioned adjustments		-
Total of all Ind AS adjustments		-
Equity as per Ind AS		(3,61,77,166)

2 Comprehensive Income Reconciliation

The above changes increased / (decreased) retained earnings as follows:

Particulars	Note No.	(Amount in Rs.) March 31, 2019
Profit reported for year ended March 31, 2019 as per Previous GAAP		(3,62,77,166)
Impact of adjustments - On transition to Ind AS from previous GAAP		-
Tax impact of above mentioned adjustments		-
Net Profit for year ended March 31, 2019 as per Ind AS		-
Impact of adjustments - On transition to Ind AS from previous GAAP		-
Tax impact of above mentioned adjustments		-
Other comprehensive Income		-
Total comprehensive Income for year ended March 31, 2019 as per Ind AS		(3,62,77,166)

2.4 Statement of Cash Flows:

The transition from previous GAAP to Ind AS did not have a material impact on the statement of cash flows.



LIFESURGE BIOSCIENCES PRIVATE LIMITED

Notes to the Financial Statements

Note: 3-Property, Plant & Equipment & intangible assets

(Amt in Rs.)

Particulars	Electrical Installations	Furniture & Fixtures	Office Equipment	Computer	Total	Computer Software-Intangible asset	Total
Gross Block:							
As at April 01, 2019	4,00,012	2,46,750	29,987	17,66,884	24,43,633	21,850	21,850
Additions				8,999	8,999		-
Disposal / Adjustments					-		-
As at March 31, 2020	4,00,012	2,46,750	29,987	17,75,883	24,52,632	21,850	21,850
Depreciation and Impairment:							
As at April 01, 2019	21,113	10,959	3,395	3,43,010	3,78,477	6,461	6,461
For the year 2019-2020	94,248	61,046	11,985	9,04,972	10,72,252	9,720	9,720
Disposal -2019-2020					-		-
As at March 31, 2020	1,15,361	72,005	15,380	12,47,982	14,50,729	16,181	16,181
Net Block:							
As at March 31, 2019	3,78,899	2,35,791	26,592	14,23,874	20,65,156	15,389	15,389
As at March 31, 2020	2,84,650	1,74,745	14,607	5,27,901	10,01,903	5,669	5,669



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LIFESURGE BIOSCIENCES PRIVATE LIMITED

Notes to the Financial Statements

<u>Particulars</u>	<u>As at</u> <u>March 31, 2020</u>	<u>Amount (Rs)</u> <u>As at</u> <u>March 31, 2019</u>
<u>Note: 4 Deferred Tax</u>		
Break up of Deferred Tax Liabilities and Assets into major components of the respective balances are as under:		
<u>Deferred Tax Liabilities</u>		
Differences in depreciation and other differences in block of fixed assets as per tax books and financial books	-	1,34,433
	-	1,34,433
<u>Deferred Tax Assets</u>		
Differences in depreciation and other differences in block of fixed assets as per tax books and financial books	61,674	-
Provision for gratuity	1,09,175	-
Provision for leave salary	92,023	-
Unabsorbed loss	1,20,50,281	-
	1,23,13,153	-
Net Deferred Tax Asset/ (Liabilities)	1,23,13,153	(1,34,433)
<u>Note: 5 Inventories</u>		
Classification of Inventories:		
Finished Goods/Stock In Trade	43,93,037	68,37,566
Sample Products	6,77,422	-
Total	50,70,459	68,37,566
<u>Note: 6 Trade Receivables</u>		
Secured and considered good	-	-
Unsecured and considered good	61,30,076	33,90,396
Doubtful	-	-
	61,30,076	33,90,396
Less: Allowance for doubtful debts	-	-
Total	61,30,076	33,90,396
<u>Note: 7 Cash and Cash Equivalent*</u>		
Balances with banks	80,597	2,68,929
Cash in Hand	-	-
Total	80,597	2,68,929
*Cash and cash equivalents are held for the purpose of meeting short term commitments rather than for investment purpose.		
<u>Note: 8 Other Current Assets</u>		
[Unsecured, Considered Good]		
Balance with revenue authorities	13,83,053	14,37,552
Prepaid expenses	1,90,969	82,226
Advances recoverable in cash or Kind	43,770	3,000
Advance to supplier of goods / services	5,88,357	9,81,635
Total	22,06,149	25,04,413
<u>Note: 9 Equity Share Capital</u>		
<u>Authorised</u>		
Equity Shares		
100,000 Equity Shares of Rs.10/- each fully paid up	10,00,000	10,00,000
Total	10,00,000	10,00,000
<u>Issued, Subscribed and Paid-up</u>		
Equity Shares		
10,000 (P. Y. : 10,000) Equity Shares of Rs.10/- each fully paid up	1,00,000	1,00,000



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LIFESURGE BIOSCIENCES PRIVATE LIMITED

Notes to the Financial Statements

<u>Particulars</u>	<u>As at</u> <u>March 31, 2020</u>	<u>Amount (Rs)</u> <u>As at</u> <u>March 31, 2019</u>
Total	1,00,000	1,00,000
A. The details of shareholders holding more than 5% equity shares :-		
Name of the Shareholder		
1) Abans Vanijya Private Limited	-	100.00%
% held	-	10,000
No. of Shares		
1 (One) Equity Share is held by Mr Abhishek Bansal as nominee shareholder on behalf of Abans Vanijya Private Limited.		
2) Abans Enterprises Limited	100.00%	-
% held	10,000	-
No. of Shares		
1 (One) Equity Share is held by Mr Abhishek Bansal as nominee shareholder on behalf of Abans Enterprises Limited.		
B. Reconciliation of number of equity shares :-		
At the beginning of the year	10,000	-
Add : Shares issued	-	10,000
At the End of the year	10,000	10,000

C. Rights, Preferences and Restrictions of share holder :-

The company has only single class of equity shares. Each shareholder is eligible for one vote per share. One class of equity share have been issued having a par value of Rs.10/- each.

The company declares and pays dividend if any, in Indian Rupee. The dividend proposed if any, by the board of Directors is subject to the approval of the share holders at the ensuing Annual General meeting except in case of Interim dividend.

In the event of liquidation of the company, the holder of equity shares will be entitled to receive any of remaining assets of the company after distribution of preferential amount. The distribution will be in proportion to the number of equity shares held by the share holders.

Note: 10 Other Equity

Profit & loss balance	(7,15,78,147)	(3,62,77,166)
Items of other comprehensive income	(4,426)	-
Total	(7,15,82,573)	(3,62,77,166)

Note: 11 Provisions

Provision for gratuity	64,752	-
Total	64,752	-

Note: 12 Borrowings

Financial liabilities carried at amortised cost		
Unsecured		
Inter Corporate Deposits	9,48,05,300	-
From Director	-	4,46,95,538
Total	9,48,05,300	4,46,95,538

During the FY 2019-20, Compnay borrowed on unsecured basis from Abans Finance Private Limited (a related party) as Inter Corporate Deposits (ICDs) for working capital purpose. ICDs is having interest rate of 11 % per annum and is for a period 12 months. It is repayable on demad or renewable at the end of the period. Outstanding amount at the end of the year March 31, 2020 is Rs 9,48,05,300/- .

During the FY 2018-19, Compnay borrowed interest free unsecured loan from Abishek Bansal (Director) for meeting the short term fund requirement. This borrowing was unsecured and was repaid in the FY 2019-20



/s/



LIFESURGE BIOSCIENCES PRIVATE LIMITED**Notes to the Financial Statements**

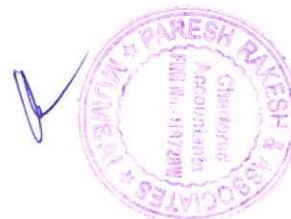
<u>Particulars</u>	Amount (Rs)	
	<u>As at</u> <u>March 31, 2020</u>	<u>As at</u> <u>March 31, 2019</u>
<u>Note: 13 Trade Payables</u>		
Total outstanding dues of micro enterprises and small enterprises	-	-
Others	-	-
Creditors for Expenses	-	-
Total	-	-
Total outstanding dues creditors other than micro enterprises and small enterprises		
Others	16,41,664	5,35,002
Creditors for Expenses	-	-
Total	16,41,664	5,35,002
<u>Note: 14 Other Financial Liabilities</u>		
Interest accrued and payable	-	14,98,184
Creditors payable for expenses	4,10,688	16,615
Total	4,10,688	15,14,799
<u>Note: 15 Provisions</u>		
Provision for gratuity	1,860	-
Provision for leave encashment	3,57,370	-
Total	3,59,230	-
<u>Note: 16 Other Current Liabilities</u>		
Advance Received from Customers	1,13,589	-
Statutory Liabilities	2,88,236	6,67,582
Staff expenses Payable	6,01,269	32,56,660
Others	5,850	4,55,000
Total	10,08,944	43,79,242



LIFESURGE BIOSCIENCES PRIVATE LIMITED

Notes to the Financial Statements

	Amount (Rs)	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Note: 17 Revenue from Operations		
Sale of goods	1,68,18,182	53,91,156
Total	1,68,18,182	53,91,156
Note: 18 Change in inventory		
Opening stock	68,37,566	-
Less: Closing Stock	50,70,459	68,37,566
Total	17,67,107	(68,37,566)
Note: 19 Employee Benefits Expense		
Salaries and Wages	3,04,56,033	2,60,17,205
Contribution to gratuity	62,186	-
Provision for Leave salary	3,57,370	-
Contribution to provident and other funds	12,21,254	8,56,123
Staff welfare expenses	8,58,202	4,54,496
Total	3,29,55,045	2,73,27,824
Note: 20 Finance Cost		
Interest on financial liabilities carried at amortised cost		
Interest expenses	74,67,549	16,64,649
Other cost		
Bank charges	2,098	484
Interest on late deposit of statutory liabilities	4,633	9,605
Total	74,74,280	16,74,738
Note: 21 Other Expenses		
Rates and taxes	2,500	2,500
Printing & Stationery Expenses	1,89,553	1,39,006
Selling Expenses	20,36,888	14,99,521
Warehouse Charges	7,53,600	3,60,000
Freight Charges	13,90,610	7,33,221
Communication exp	43,964	30,166
Software Expenses	3,10,430	1,30,230
Sample Packing Charges	54,960	35,020
Testing & Analytical Charges	5,19,839	29,550
Consumption of packing materials	2,95,675	1,35,457
Insurance Charges	40,104	20,085
Business Development Expenses	34,79,594	16,54,387
Travelling & Conveyance Expenses	58,71,687	41,11,435
Electricity Expenses	1,58,900	2,17,362
ROC Fees & Other Legal Charges	2,400	1,009
Stores & Consumables	5,610	1,46,225
Website Design Charges	-	87,500
Legal & Profession Expenses	3,95,267	8,34,606
Office & Sundry Expenses	1,27,119	5,82,152
Repairs & Maintenance	2,500	14,160
Telephone Charges	11,260	12,407
Payment to Auditors:		
Statutory Audit Fees	95,000	30,000
Tax Audit Fees	-	-
Total	1,57,87,460	1,08,05,999



LIFESURGE BIOSCIENCES PRIVATE LIMITED

Notes to the Financial Statements

Note: 22 Calculation of earning per share (EPS)

The numerators and denominators used to calculate basic and diluted EPS are as follows:

<u>Particulars</u>		<u>Units</u>	<u>Year ended</u>	
			<u>March 31, 2020</u>	<u>March 31, 2019</u>
Profit attributable to Equity shareholder	(A)	Rs	(3,53,00,981)	(3,62,77,166)
Number of equity shares		Nos	10,000	10,000
Weighted average number of shares for calculation of Basic EPS	(B)	Nos	10,000	10,000
Weighted average number of shares for calculation of Diluted EPS	(C)	Nos	10,000	10,000
Nominal value of equity shares		Rs	10.00	10.00
Basic EPS			(3,530.10)	(3,627.72)
Diluted EPS			(3,530.10)	(3,627.72)

Note: 23 Details of auditors remuneration

<u>Particulars</u>	<u>Units</u>	<u>Year ended</u>	
		<u>March 31, 2020</u>	<u>March 31, 2019</u>
As auditor :			
Audit fees	Rs	50,000	30,000
Tax audit fees	Rs	25,000	-
other matters	Rs	-	5,000
Total payment to auditors	Rs	75,000	35,000

Note: 24 Contingent Liabilities and Commitments (to the extent not provided for):

There are no material pending contingent liabilities on account of litigations or commitments which the company believes could reasonably be expected to have a material adverse effect on the result of operations, cash flow or the financial position of the Company.

Note: 25 Property, Plant and Equipment

There is no impairment loss on property, plant and equipment assets on the basis of review carried out by the management. Company carries out physical verification of its Property, Plant and Equipment at regular interval.

Note: 26 Inventory

The inventory comprising of finished goods and is physically verified by the management at regular intervals and as at the end of the year. Company obtains written confirmations in respect of stock lying with third parties, if any, as at the year end. The quantity and valuation of inventory at the year end has been certified by the management.

Note: 27 Trade Receivable

Trade receivables are subject to confirmation and reconciliation. The auditor has relied on the management representation in this regard.

Note: 28 employee Benefits

<u>Particulars</u>	<u>March 31, 2020</u>	<u>March 31, 2019</u>
Gratuity - Current	1,860	755
Gratuity - Non-current	64,752	19540
Compensated Absences (Leave Salary) - Current	-	-
Compensated Absences (Leave Salary) - Non-current	-	-
Total outstanding as on reporting date	66,612	20,295

A. Gratuity (Defined Benefit Plan)

i) General Description:

The Company 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. The company's liability towards gratuity is determined on the basis of year end actuarial valuations applying the Projected Unit Credit Method (as per Ind AS 19) done by an independent actuary.

Particulars

ii)

Change in the present value of the defined benefit obligation

	<u>March 31, 2020</u>	<u>March 31, 2019</u>
Opening defined benefit obligation	20,295	-
Current service cost	40,570	20,295
Interest cost	1,321	-
Actuarial (gain) / loss due to remeasurement on change in assumptions	4,426	-
Experience (gain) / loss on plan liability	-	-
Benefits paid and transfer out	-	-
Contributions by employee	-	-
Transfer in	-	-
Closing defined benefit obligation	66,612	20,295



LIFESURGE BIOSCIENCES PRIVATE LIMITED

Notes to the Financial Statements

iii) Change in the fair value of plan assets:		
Opening fair value of plan assets	-	-
Investment Income	-	-
Contributions by employer	-	-
Contributions by employee	-	-
Benefits paid	-	-
Return on plan assets, excluding amount recognised in net interest expense	-	-
Acquisition adjustments	-	-
Closing fair value of plan assets	-	-
iv) Breakup of Actuarial gain/loss		
Actuarial [gain]/ loss arising from change in demographic assumption	(154)	
Actuarial [gain]/ loss arising from change in financial assumption	4,473	
Actuarial [gain]/ loss arising from experience adjustment	107	
v) Expenses/ [Incomes] recognised in the Statement of Profit and Loss:		
Current service cost	40,570	20,295
Past service cost	-	-
(Gains) / losses - on settlement	-	-
Interest cost / (Income) on benefit obligation	1,321	-
Net expenses/ (benefits)	41,891	20,295
vi) Other Comprehensive Income		
Actuarial (Gain)/Loss recognized for the period due to change in assumptions	4,426	-
Asset limit effect	-	-
Return on plan assets excluding net interest	-	-
Unrecognized Actuarial (Gain) / Loss from previous period	-	-
Total Actuarial (Gain)/Loss recognized in OCI	4,426	-
vii) Movement in net liabilities recognised in Balance Sheet:		
Opening net liabilities	20,295	0
Expenses as above [P & L Charge]	41,891	20,295
Benefits Paid	-	0
Other Comprehensive Income (OCI)	4,426	0
Liabilities/ (Assets) recognised in the Balance Sheet	66,612	20,295
viii) Amount recognized in the balance sheet:		
PVO at the end of the year	46,317	20,295
Fair value of plan assets at the end of the year	-	-
Deficit	(46,317)	(20,295)
Unrecognised past service cost	-	-
(Liabilities)/Assets recognized in the Balance Sheet	(46,317)	(20,295)
ix) Principal actuarial assumptions as at Balance sheet date:		
<u>Discount rate</u>	5.00%	6.50%
[The rate of discount is considered based on market yield on Government Bonds having currency and terms in consistency with the currency and terms of the post-employment benefit obligations].		
<u>Annual increase in salary cost</u>	6.00%	6.00%
[The estimates of future salary increases are considered in actuarial valuation, taking into account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market].		
<u>Employee Attrition Rate (Past Services (PS))</u>	50.00%	50.00%
<u>Decrement adjusted remaining working life (years)</u>	1.49	1.5
Sensitivity analysis:		
March 31, 2020	<u>Discount rate of 1%</u>	<u>Salary Escalation rate of 1%</u>
Impact on statement of Profit & Loss increase in rate	63,579	69,773
Impact on statement of Profit & Loss of decrease in rate	69,835	63,579
March 31, 2019		
Impact on statement of Profit & Loss increase in rate	19,251	21,406
Impact on statement of Profit & Loss of decrease in rate	21,412	19,237
		<u>Attrition rate of 50%</u>
		9,527
		2,39,966
		<u>Mortality rate of 10%</u>
		66,842
		66,381

B. Compensated absence (long term employee benefits)

i) General description:-

The company has provided for liability towards leave salary on accrual basis. The Company has policy of leave encashment to the maximum of 45 days. Any balance in excess of utilisation of leave shall stand lapse.

C. Defined Contribution Plans

The Company also has certain defined contribution plans. Contributions payable by the Company to the concerned Government authorities in respect of Provident Fund, Family Pension Fund and Employees State Insurance are charged to Statement of Profit and Loss. The obligation of the Company is limited to the amount contributed and it has no contractual or any constructive obligation. Amount recognized during the year as contribution in statement of Profit & Loss is Rs. 1640810/- and Rs 856123/- for the year ended March 31, 2020 and March 31, 2019.



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LIFESURGE BIOSCIENCES PRIVATE LIMITED

Notes to the Financial Statements

Note: 29 Financial Instruments – Fair Values and Risk Management

A. Accounting classification

March 31, 2020

Financial assets - Current

	<u>Fair Value through Profit / (Loss)</u>	<u>Fair Value through OCI</u>	<u>Amortised Cost</u>	<u>Total</u>
Trade Receivables	-	-	61,30,076	61,30,076
Cash and Cash Equivalents	-	-	80,597	80,597

Total Financial Assets

Financial liabilities - Current

Working Capital Loan	-	-	9,48,05,300	9,48,05,300
Trade Payable	-	-	16,41,664	16,41,664
Other Financial Liabilities	-	-	4,10,688	4,10,688

Total Financial Liabilities

	-	-	62,10,673	62,10,673
	-	-	9,68,57,652	9,68,57,652

March 31, 2019

Financial assets - Current

Trade Receivables	-	-	33,90,396	33,90,396
Cash and Cash Equivalents	-	-	2,68,929	2,68,929

Total Financial Assets

Financial liabilities - Current

Working Capital Loan	-	-	4,46,95,538	4,46,95,538
Trade Payables	-	-	5,35,002	5,35,002
Other Financial Liabilities	-	-	15,14,799	15,14,799

Total Financial Liabilities

	-	-	36,59,325	36,59,325
	-	-	4,67,45,339	4,67,45,339

B. Fair value Measurement

Financial instruments measured at FVTPL / FVOCI :

All assets and liabilities for which the fair value is measured or disclosed in the financial statements are categorised 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 – Inputs are quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement are (other than quoted prices) included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

As on reporting date, Company had no outstanding financial assets or financial liabilities classified as either FVTPL or FVOCI and hence the said disclosure requirement is not applicable.

Financial instruments measured at amortised cost:

The carrying value approximates fair value for long term financial assets and liabilities measured at amortised cost. There are no transfers during the year in level 1, 2 and 3. The Company policy is to recognize transfers into and transfers out of fair value hierarchy level as at the end of reporting period.

C. Financial risk management

Risk management framework

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

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

1. Credit risk
2. Liquidity risk and
3. Market risk

1. Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or pay amounts due to the Company causing financial loss. It arises from cash and cash equivalents, deposits with banks and financial institutions, security deposits, loans given and principally from credit exposures to customers relating to outstanding receivables. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at reporting date. The Company continuously monitors defaults of customers and other counterparties, identified either individually or by the Company, and incorporates this information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. The Company's policy is to deal only with creditworthy counterparties.

In respect of trade and other receivables, the Company is not exposed to any significant credit risk exposure to any single counterparty or any company of counterparties having similar characteristics. Trade receivables consist of a large number of customers in various geographical areas. The Company has no history of customer default, and considers the credit quality of trade receivables that are not past due or impaired to be good. The credit risk for cash and cash equivalents, mutual funds, bank deposits, loans and derivative financial instruments is considered negligible, since the counterparties are reputable organisations with high quality external credit ratings. Company provides for expected credit losses on financial assets by assessing individual financial instruments for expectation of any credit losses. Since the assets have very low credit risk, and are for varied natures and purpose, there is no trend that the company can draw to apply consistently to entire population. For such financial assets, the Company's policy is to provide for 12 month expected credit losses upon initial recognition and provides for lifetime expected credit losses upon significant increase in credit risk. The Company does not have any expected loss based impairment recognised on such assets considering their low credit risk nature, though incurred loss provisions are disclosed under each sub-category of such financial assets.



LIFESURGE BIOSCIENCES PRIVATE LIMITED

Notes to the Financial Statements

2. Liquidity risk

Liquidity Risk is defined as the risk that the Company will not be able to settle or meets its obligations on time at a reasonable price. In addition; processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity through rolling forecasts of expected cash flows.

Exposure to liquidity risk

The table below is an analysis of Company's financial liabilities based on their remaining contractual maturities of financial liabilities at the reporting date.

March 31, 2020	Contractual cash flows	
	Within 1 year	1 year and above
Non-derivative financial liabilities :		
Borrowings	9,48,05,300	-
Trade payables	16,41,664	-
Other Financial Liabilities	4,10,688	-

March 31, 2019	Contractual cash flows	
	Within 1 year	1 year and above
Non-derivative financial liabilities :		
Borrowings	4,46,95,538	-
Trade payables	5,35,002	-
Other Financial Liabilities	15,14,799	-

2. Market risk

Changes in market prices which will affect the Company's income or the value of its holdings or financial instruments is considered as market risk. It is attributable to all market risk sensitive financial instruments.

a. Currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Company's functional currency.

Sensitivity analysis

A reasonably possible strengthening /weakening of the Indian Rupee against US dollars at March 31 would have affected the measurement of financial instruments denominated in US dollars and affects profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Impact on statement of profit and (loss) - [Net of tax]

Particulars	March 31, 2020	March 31, 2019
INR/USD Strengthening [8.98 % Movement (Previous year 6.19%)]	-	-
INR/USD Weakening [8.98 % Movement (Previous year 6.19%)]	-	-

b. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

Impact on statement of profit and (loss) - [Net of tax]

Particulars	March 31, 2020	March 31, 2019
Interest rates – increase by 100 basis points (100 bps)	(4,33,466)	(1,65,373)
Interest rates – decrease by 100 basis points (100 bps)	4,33,466	1,65,373

Note: 30 Capital Management

The primary objective of the Group's capital management is to maximize the shareholders' interest, safeguard its ability to continue as a going concern and reduce its cost of capital. Company is focused on keeping strong total equity base to ensure independence, security as well as high financial flexibility for potential future borrowings required if any. Company's capital for capital management includes long term debt and total equity. As at March 31, 2020 and March 31, 2019 total capital is negative by Rs (7,14,82,570)/- and Rs (3,61,77,166)/- respectively. Holding Company has provided comfort letter to support its operations and improve credit worthiness. Accordingly, this financial statement is prepared on going concern basis. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2020 and March 31, 2019.

Note: 31 Related party disclosure

A. List of related party

Relationship Category	Particulars	Name
1	Key Management Personnel	• Abhishek Bansal
2	Relatives of Key Management Personnel	None
3	Enterprises owned or significantly influenced by Key Management Personnel	None
4	Enterprises owned or significantly influenced by a group of individuals or their relatives who have a control or significant influence over the company	• ABans Finance Private Limited
5	Individuals owning, directly or indirectly, an interest in the voting power of reporting enterprise that gives them control of significant influence over enterprise and relatives of any such individual	• Abhishek Bansal (Prop. Fortune Gems)
6	Holding Company	• ABans Enterprises Limited



LIFESURGE BIOSCIENCES PRIVATE LIMITED

Notes to the Financial Statements

B. The Following transactions were carried out with the related parties in the ordinary course of business and at arm's length.

<u>Nature of transactions</u>	<u>Relationship Category</u>	<u>March 31, 2020</u>	<u>March 31, 2019</u>
Borrowings			
• ABans Finance Private Limited	4	94,805,300	-
• Abhishek Bansal	1	-	44,695,538
		<u>94,805,300</u>	<u>44,695,538</u>
Interest Expenses			
• ABans Finance Private Limited	4	7,467,549	1,664,649
		<u>7,467,549</u>	<u>1,664,649</u>

The holding company has issued a letter of Comfort Letter for financial support to the extent required

NOTE 32: Tax expense
Reconciliation of tax expense

Particulars

	<u>For the year ended</u>	
	<u>March 31, 2020</u>	<u>March 31, 2019</u>
a) Income tax recognised in Profit or loss		
Current Tax	(12,447,586)	134,433
Deferred Tax	(12,447,586)	134,433
Total Income tax expense recognised in current year relating to continuing operations		

The Income Tax expenses for the year can be reconciled to the accounting profit as follows:

Particulars

	<u>For the year ended</u>	
	<u>March 31, 2020</u>	<u>March 31, 2019</u>
Profit before Tax from Continuing Operations	(47,748,567)	(36,142,733)
Applicable Tax Rate	26%	26%
Computed Tax Expense	-	-
Tax Effect of:		
Expenses not Allowed	-	-
Current Tax Provision (A)	-	-
Incremental Deferred Tax Liability on account of PPE	(12,447,586)	134,433
Incremental Deferred Tax Asset on account of Financial Assets	(12,447,586)	134,433
Deferred Tax Provision (B)	(12,447,586)	134,433
Tax Expenses recognised in Statement of Profit and Loss (A+B)		

NOTE 33: Segment Reporting

The Company Operates in to single segment of trading of Pharmaceutical product and hence, segment reporting under IND AS 108 is not applicable to the Company.

Note: 34 COVID 2019

1. Asset impairment- Our assets consist of unsettled receivables for trade and advances for trade. Receivable are being settled on the basis of contractual terms without any substantial delay/delinquencies. Management don't see any impairment on these assets.
2. Expected credit loss- Receivables and advances are being recovered wherever applicable without any delinquencies, management do not expect any additional credit loss on the same.
3. Inventory - Nature of Inventory does not pose any physical and market risk and based on present market conditions management do not foresee any loss on account of sale or its ultimate collection.
4. Debt repayment - Projected cash flow reflects ability of the company to discharge it debts in form of working capital loan as per contractual terms through realisation of current assets.
5. Fair value measurement - There are no indicators (except accounted for) which requires further provision / disclosure to the carrying value based on fair value measurement.
6. Revenue - Company operates into trading of Pharmaceutical product. This business has temporary impact due to restrictions on physical movement of goods due to nationwide lockdown imposed by government. However the management is of the view, this being temporary in nature will not have any substantial impact on long term business prospects of the company.
7. Government policies on Social norms, travelling restrictions etc. - Measures taken by government to stop the spread of the disease caused by novel coronavirus forced the Company to operate on 'work from home model'. The Company has successfully adapted the new working culture and is confident that such kind of temporary restrictions will not have adverse effect on the prospects of the Company.

Note: 35 Going Concern

As at 31st March, 2020, the company has accumulated losses of Rs.7,15,82,573/- (P.Y Rs.3,62,77,166/-) The company is financing it's working capital through borrowings. These conditions indicate the existence of a material uncertainty that may cast doubt about the Company's ability to continue as a going concern, which is dependent on establishing profitable operations, realisation of debts and obtaining continuing financial support. The Company is in initial stage of its operations which consist of marketing of Pharmaceutical products, which generally has gestation period until the market of the product is developed. Once established in the market the products start generating revenues to cover the loss already incurred in gestation period, which situation is common in pharmaceutical product evolution stage. The Holding Company has provided a comfort letter for providing Financial Support wherever required. Accordingly, these financial statements are prepared on going concern basis.

Note: 36 Other

Previous year's figures have been regrouped/rearranged/reworked wherever necessary and possible so as to confirm to current year's classification.

