

PISGAH LABORATORIES INC., USA

DIRECTORS' REPORT

To
The Members
Pisgah Laboratories Ltd. Inc.

Your Directors have pleasure in presenting their Annual Report for the period ended 31st March, 2020.

FINANCIAL RESULTS

Particulars	For the year ended 31st March 2020 (Rs. in lacs)	For the year ended 31st March 2019 (Rs. in lacs)
Total Income	280.18	211.43
Total Expenditure	1397.52	1,121.83
Financial Cost	-	-
Depreciation & Impairment	3381.47	599.17
Profit before extraordinary items and tax	(4,498.81)	(1,509.57)
Less: Provision for taxation		
Current	5.32	13.02
Deferred	-	-
Earlier Year's Tax	-	-
Profit after tax but before extraordinary items	(4,504.13)	(1,522.59)
Extraordinary Items	-	-
Other Comprehensive Income	357.39	397.29
Total Comprehensive Income for the period (Comprising Profit /(Loss) and Other Comprehensive Income for the period)	(4,146.74)	(1125.30)
YOUR DIRECTORS RECOMMEND THE FOLLOWING APPROPRIATIONS		
Surplus in Profit & Loss Account as per last Balance Sheet	(1,600.37)	(90.89)
Net Profit for the Period	(4,504.13)	(1522.59)
Less:		
Dividend adjustment of prior years	-	13.11
Transfer to General Reserve	-	-
Balance as at year end	(6,104.50)	(1,600.37)

INCORPORATION

The Company was incorporated under the laws of state of North Carolina (NC) founded in the year 1981. The company (Pisgah) is acquired on 16th January 2018 jointly by Ipca Pharmaceuticals Inc., USA (90% of common stock) and Onyx Scientific Limited UK (10% of common stock). Ipca Pharmaceuticals Inc., and Onyx Scientific Ltd. are wholly owned subsidiaries of Ipca Laboratories Limited, India.

The company is engaged in developing/contact manufacturing of Active Pharmaceuticals Ingredients and Intermediates.

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TRANSFER TO GENERAL RESERVE

During the period under report, the Company has not transferred any amount to General Reserve Account.

OPERATIONS

The total income for the financial year under report was Rs. 280.18 lacs (previous year was Rs. 211.43 lacs) and the operations have resulted in a net loss of Rs. 4,504.13 lacs (previous year Net loss of Rs. 1,522.59 lacs).

During the period under report there was no change in the nature of Company's business.

MATERIAL CHANGES AND COMMITMENTS AFTER THE END OF THE FINANCIAL YEAR

No material changes or commitments affecting the financial position of the Company have occurred between the end of the period to which financial statements in this report relate and the date of this report.

SHARE CAPITAL

The paid-up equity share capital of the Company as at 31st March, 2020 is Rs. 58.90 lacs. During the year Company has also issued redeemable preference shares of Rs. 1,264.53 lacs. Total Redeemable preference share capital of the Company as at 31st March, 2020 is Rs. 2,370.93 lacs.

SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES

The Company does not have any subsidiary, joint venture or associate companies.

DIVIDEND

In view of the losses incurred, your Directors do not recommend any dividend for the financial year ended 31st March, 2020.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm:

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) that your Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year March 31, 2020 and of the loss of the Company for the period;
- iii) that your Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that your Directors have prepared the annual accounts on a going concern basis.

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- v) that your Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- vi) that your Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

FIXED DEPOSIT

During the period under review, the Company has not accepted any fixed deposits within the meaning of Section 73 of the Companies Act, 2013.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not given any loans or guarantees or made any investment in any other Company.

AUDITORS, AUDIT REPORT AND AUDITED FINANCIAL STATEMENTS:

Virendra K. Jain, Certified Public Accountant, retire as auditors and, being eligible, offer themselves for re-appointment.

The Auditors' Report read with the notes to the accounts referred to therein are self-explanatory and therefore, do not call for any further comments.

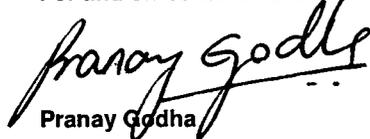
PARTICULARS OF EMPLOYEES

The Company had no employees covered under Section 197 of the Companies Act, 2013 read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force).

ACKNOWLEDGEMENTS

Your Directors place on record their profound admiration and sincere appreciation of the continued hard work put in by employees at all levels. Your Directors also place on record their appreciation for the continued co-operation and support extended to the Company by the trade and the customers.

For and on behalf of the Board of Directors



Pranay Godha
Chairman
June 15, 2020

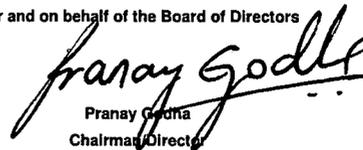
PISGAH LABORATORIES INC., USA

Balance Sheet as at March 31, 2020

Particulars	Note Ref.	As at 31/03/2020 (₹ Lakhs)	As at 31/03/2019 (₹ Lakhs)
ASSETS			
(1) Non-current assets			
(a) Property, Plant & Equipment	1	2,248.14	2,210.42
(b) Capital work-in-progress	1B	-	36.67
(c) Goodwill		-	-
(d) Other Intangible assets	1C	519.59	3,579.85
(e) Intangible assets under development		-	-
(f) Financial Assets			
(i) Investments		-	-
(ii) Loans		-	-
(iii) Others		-	-
(g) Deferred Tax Assets	3	198.72	181.62
(h) Other Non-current assets		-	-
		<u>2,966.45</u>	<u>6,008.56</u>
(2) Current Assets			
(a) Inventories	4	379.73	218.50
(b) Financial Assets			
(i) Investments		-	-
(ii) Trade receivables	5	42.37	30.43
(iii) Cash and cash equivalents	6	54.63	30.24
(iv) Bank balances other than (iii) above		-	-
(v) Loans	2	-	1.73
(vi) Others	7	36.57	58.78
(c) Current Tax Assets (Net)		-	-
(d) Other current assets	8	35.16	30.95
		<u>548.46</u>	<u>370.63</u>
Total Assets		<u><u>3,514.91</u></u>	<u><u>6,379.19</u></u>
EQUITY & LIABILITIES			
EQUITY			
(a) Share capital	9	2,429.83	1,165.30
(b) Other Equity	10	991.65	5,138.39
Total Equity		<u>3,421.48</u>	<u>6,303.69</u>
LIABILITIES			
(1) Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings		-	-
(ii) Trade payables		-	-
(iii) Other financial liabilities		-	-
(b) Provisions		-	-
(c) Deferred tax liabilities (Net)		-	-
(d) Other Non-current liabilities		-	-
(2) Current liabilities			
(a) Financial Liabilities			
(i) Borrowings		-	-
(ii) Trade payables	12	87.76	40.94
(iii) Other financial liabilities	11	-	23.04
(b) Other current liabilities	13	-	1.84
(c) Provisions		-	-
(d) Current Tax Liabilities (Net)	14	5.67	9.68
		<u>93.43</u>	<u>75.50</u>
Total Equity and Liabilities		<u><u>3,514.91</u></u>	<u><u>6,379.19</u></u>

Statement of Significant Accounting policies and Other Explanatory Notes form part of the Balance Sheet and Statement of Profit and Loss

For and on behalf of the Board of Directors


Pranay Godha
Chairman/Director

Date: June 15, 2020

PISGAH LABORATORIES INC., USA

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

Particulars	Note Ref.	2019-20 (₹ Lakhs)	2018-19 (₹ Lakhs)
I Revenue from operations	15	162.37	30.80
II Other income	16	117.81	180.63
III Total Income (I+II)		<u>280.18</u>	<u>211.43</u>
IV Expenses			
Cost of materials consumed	17	2.51	9.46
Purchases of stock-in-trade		-	-
Changes in inventories of finished goods, Stock in -Trade and work-in-progress	18	(143.33)	(72.33)
Employee benefits expense	19	892.40	632.24
Finance costs		-	-
Depreciation and amortisation expense	1	617.20	599.17
Impairment Expenses	1	2,764.27	-
Other expenses	20	645.94	552.46
Foreign exchange (gain)/loss-net		-	-
Total Expenses (IV)		<u>4,778.99</u>	<u>1,721.00</u>
V Profit/(loss) before exceptional items and tax (III-IV)		<u>(4,498.81)</u>	<u>(1,509.57)</u>
VI Exceptional Items		-	-
VII Profit/ (loss) before tax (V-VI)		<u>(4,498.81)</u>	<u>(1,509.57)</u>
VIII Tax expense:			
(1) Current tax		5.32	13.02
(2) Deferred tax		-	-
IX Profit/ (loss) for the period from continuing operations (VII-VIII)		<u>(4,504.13)</u>	<u>(1,522.59)</u>
X Profit/ (loss) from discontinued operations		-	-
XI Tax expense of discontinued operations		-	-
XII Profit/ (loss) from discontinued operations (after tax) (X-XI)		-	-
XIII Profit/ (loss) for the period (IX+XII)		<u>(4,504.13)</u>	<u>(1,522.59)</u>
XIV Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss			
Exchange difference in translating the financials statement of foreign operation		357.39	397.29
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
		<u>357.39</u>	<u>397.29</u>
XV Total Comprehensive Income for the period (XIII + XIV) (Comprising Profit		<u>(4,146.74)</u>	<u>(1,125.30)</u>
XVI Earnings per equity share (for continuing operation) :	22		
(1) Basic (₹)		(4,895.79)	(1,654.99)
(2) Diluted (₹)		(4,895.79)	(1,654.99)
Par Value		USD 1	USD 1

Statement of significant accounting policies and other explanatory notes form part of the balance sheet and statement of profit and loss

For and on behalf of the Board of Directors

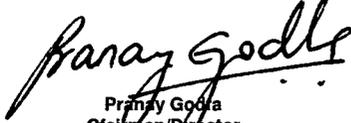

Pranay Godra
Chairman/Director

Date: June 15, 2020

PISGAH LABORATORIES INC., USA
Cashflow statement for the Period ended 31st March, 2020

Particulars	2019-20		2018-19	
	(₹ Lakhs)		(₹ Lakhs)	
A. CASH FLOW FROM OPERATING ACTIVITIES				
1. Net profit/(loss) before taxation		(4,498.81)		(1,509.57)
Adjustments for :				
Depreciation	617.20		599.17	
Impairment Expenses	2,764.27			
Interest Income	(0.11)	3,381.36	(0.08)	599.09
		(1,117.45)		(910.48)
2. Operating profit/(loss) before working capital changes				
Decrease/(Increase) in Receivables	7.79		72.97	
Decrease/(Increase) in Inventories	(161.23)		(97.24)	
Increase/(Decrease) in Sundry creditors & provisions	21.94	(131.50)	(164.48)	(188.75)
3. Cash generated from operation		(1,248.95)		(1,099.23)
Income Tax Paid	(26.43)		(13.79)	
Movement in Foreign currency translation reserve	35.55	9.12	50.36	36.57
Net cash from operating activities (A)		(1,239.83)		(1,062.66)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of assets	(38.02)		(241.49)	
Sale of assets	37.60			
Interest received	0.11	(0.31)	0.08	(241.41)
Net cash from / (used) in Investing activities (B)		(0.31)		(241.41)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Issue of share Capital		1,264.53		1,106.40
Net cash from Financing activities (C)		1,264.53		1,106.40
Net increase/(decrease) in cash and cash equivalents (A + B+ C)		24.39		(197.67)
Cash and cash equivalents at beginning of period		30.24		227.91
Cash and cash equivalents at end of period		54.63		30.24
Components of cash & cash equivalents:				
cash and Cheques on hand		54.63		30.24
Balance with Banks		54.63		30.24

For and on behalf of the Board of Directors


Pransy Godra
Chairman/Director

Date: June 15, 2020

PISGAH LABORATORIES INC., USA
Statement of changes in equity for the period ended March 31, 2020

(₹ Lakhs)

Particulars	Equity Share Capital	Preference Share Capital	Other equity			Total Equity
			Reserves and Surplus	Other Comprehensive Income		
			Retained Earning	Fair value adjustment Reserve	Foreign currency translation reserve	
Balance as on March 31, 2018	58.90	-	(90.89)	6,231.63	109.84	6,309.48
Dividend Adjustment of Prior Year			13.11			13.11
Profit for the period	-	-	(1,522.59)	-	-	(1,522.59)
Share issued during the year	-	1,106.40	-	-	-	1,106.40
Exchange difference in translating the financial statement of foreign operation	-	-	-	-	397.29	397.29
Balance as on March 31, 2019	58.90	1,106.40	(1,600.37)	6,231.63	507.13	6,303.69
Profit for the period	-	-	(4,504.13)	-	-	(4,504.13)
Share issued during the year	-	1,264.53	-	-	-	1,264.53
Exchange difference in translating the financial statement of foreign operation	-	-	-	-	357.39	357.39
Balance as on March 31, 2020	58.90	2,370.93	(6,104.50)	6,231.63	864.52	3,421.48

For and on behalf of the Board of Directors


Praveen Godha
Chairman/Director

Date: June 15, 2020

Statement of Significant Accounting policies and Other Explanatory Notes

Background

ACCOUNTING POLICIES

a) Accounting convention

The Financial Statements have been prepared to make them fit for consolidation in the ultimate holding company.

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is current when :

- It is expected to be realised or intended to be sold or consumed in normal operating cycle or
 - It is held primarily for the purpose of trading or
 - It is expected to be realised within twelve months after the reporting period, or
 - It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- All other assets are classified as non-current.

A liability is current when :

- It is expected to be settled in normal operating cycle or
 - It is held primarily for the purpose of trading or
 - It is due to be settled within twelve months after the reporting period, or
 - There is no unconditional right to defer the settlement of the liability for atleast twelve months after the reporting period
- The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The accounting policies adopted in the preparation of financial statements are consistent with those used in the previous year.

b) Conversion in to Indian Rupees:

The translation of financial statements into Indian Rupees is done in accordance with Ind AS 21 (Revised) "Effects of Changes in Foreign Exchange" notified by the Companies (Accounting Standards) Rules 2015. The resultant Foreign Currency Translation Reserve is shown separately under other comprehensive reserves forming part of Other Equity.

The Assets and Liabilities are translated at closing rate except share capital, which is translated at the rate as on transaction date. The income and expenditure are translated at a rate nearing the average rate during the year.

c) Property, Plant and Equipment :

Acquisition of equipment's, furniture and fixtures are capitalized in their respective accounts at cost. Ordinary maintenance and repair items are charged directly to expenses as incurred.

d) Depreciation

Depreciation is being provided based in the estimated useful life using straight line method.

e) Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end.

f) Inventories: Stock is valued at the lower of cost and net realizable value, after making due allowance for obsolete and slow moving items. Cost is computed on FIFO.

g) Revenue Recognition: Revenue from sale of goods is recognised net of returns, product expiry claims and discounts. Revenue is recognized on satisfaction of performance obligations upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Group expects to receive in exchange for those products or services.

To recognize revenues, the company applies the following five step approach:

1. Identify the contract with a customer;
2. Identify the performance obligations in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations in the contract; and
5. Recognize revenues when a performance obligation is satisfied.

h) Revenue in respect of insurance/other claims, interest, commission, etc., are recognized only when it is reasonably certain that the ultimate collection will be made.

interest income is recorded using the effective interest rate (EIR).

i) Taxation

Current Tax: Current Tax is calculated as per the income tax law prevailing in USA.

Deferred Tax: Deferred Tax is recognized in respect of all timing differences that have originated but not reversed at the balance sheet date.

j) Cash and Cash Equivalents: For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

k) Foreign Exchange Transactions:

i) Transactions denominated in foreign currency are recorded at the exchange rate on the date of transaction where the settlement of such transactions are taking place at a later date. The exchange gain/loss on settlement / negotiation during the year is recognised in the statement of profit and loss. In case of advance payment for purchase of assets/goods/services and advance receipt against sales of products/services, all such purchase/sales transaction are recorded at the rate at which such advances are paid/received.

ii) Foreign currency monetary transactions remaining unsettled at the end of the year are converted at year-end rates. The resultant gain or loss is accounted for in the Statement of Profit and Loss.

iii) Non Monetary items that are measured at historical cost denominated in foreign currency are translated using exchange rate at the date of transaction.

PISGAH LABORATORIES INC., USA

Notes to financial statements as at and for the period ended March 31, 2020

Note 1. Property, Plant and equipment

Particulars	Gross Block					Accumulated depreciation					Net Block		
	As on 01/04/2019	Additions	Sale/ W/off /Adjustment	Foreign currency translation reserve	As on 31/03/2020	As on 01/04/2019	Sale/ W/off /Adjustment	For the period	Foreign currency translation reserve	As on 31/03/2020	As on 31/03/2020	As on 31/03/2019	
	Furniture & Fixtures	12.41	0.42	-	1.20	14.03	4.94	-	3.72	0.71	9.37	4.66	7.47
Land Improvements	115.77	-	-	10.90	126.67	7.95	-	6.98	1.21	16.14	110.53	107.82	
Equipment	586.23	37.80	-	57.71	681.54	123.71	-	124.89	20.04	268.64	412.90	462.52	
Computer	12.12	-	-	1.15	13.27	5.41	-	2.49	0.68	8.58	4.69	6.71	
Vehicles	4.67	-	-	0.44	5.11	1.82	-	1.60	0.27	3.69	1.42	2.85	
Land	670.76	-	-	63.14	733.90	-	-	-	-	-	733.90	670.76	
Buildings and Improvement	1,018.29	-	-	95.86	1,114.15	66.00	-	58.01	10.10	194.11	980.04	952.29	
Total	2,420.25	38.02	-	230.40	2,688.67	209.83	-	197.69	33.01	440.53	2,248.14	2,210.42	

1B. Capital WIP

Particulars	Gross Block					Accumulated depreciation					Net Block		
	As on 01/04/2019	Additions	Sale/ W/off /Adjustment	Foreign currency translation reserve	As on 31/03/2020	As on 01/04/2019	Sale/ W/off /Adjustment	For the period	Foreign currency translation reserve	As on 31/03/2020	As on 31/03/2020	As on 31/03/2019	
	Capital WIP	36.67	-	(37.60)	0.93	-	-	-	-	-	-	-	36.67

1C. Other Intangible Assets

Particulars	Gross Block					Accumulated depreciation					Net Block		
	As on 01/04/2019	Additions	Impairment	Foreign currency translation reserve	As on 31/03/2020	As on 01/04/2019	Impairment	For the period	Foreign currency translation reserve	As on 31/03/2020	As on 31/03/2020	As on 31/03/2019	
	Technical Know How	4,091.26	-	-	385.17	4,476.43	511.41	2,764.27	419.51	261.65	3,956.84	519.59	3,579.85
Total	4,091.26	-	-	385.17	4,476.43	511.41	2,764.27	419.51	261.65	3,956.84	519.59	3,579.85	

PISGAH LABORATORIES INC., USA

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

2 Financial Assets - Loans				
Particulars	As at 31/03/2020 (₹ Lakhs)		As at 31/03/2019 (₹ Lakhs)	
	Current	Non-Current	Current	Non-Current
Loan to Employees	-	-	1.73	-
Total	-	-	1.73	-
3 Deferred Tax Assets				
Particulars	As at 31/03/2020 (₹ Lakhs)		As at 31/03/2019 (₹ Lakhs)	
	Current	Non-Current	Current	Non-Current
Deferred Tax Assets	198.72	-	181.62	-
Total	198.72	-	181.62	-
4 Inventories				
Particulars	As at 31/03/2020 (₹ Lakhs)		As at 31/03/2019 (₹ Lakhs)	
	Current	Non-Current	Current	Non-Current
i) Raw Materials and components - In hand	164.07	-	146.17	-
ii) Work-in-progress	136.52	-	-	-
iii) Finished Goods	79.14	-	72.33	-
Total	379.73	-	218.50	-
5 Financial Assets - Trade receivables (Unsecured, at amortised cost)				
Particulars	As at 31/03/2020 (₹ Lakhs)		As at 31/03/2019 (₹ Lakhs)	
	Current	Non-Current	Current	Non-Current
Unsecured, considered good	42.37	-	30.43	-
Total	42.37	-	30.43	-
6 Financial Assets - Cash & Cash Equivalents				
Particulars	As at 31/03/2020 (₹ Lakhs)		As at 31/03/2019 (₹ Lakhs)	
	Current	Non-Current	Current	Non-Current
Balances with banks	54.63	-	30.24	-
Total	54.63	-	30.24	-
7 Others - Financial Assets				
Particulars	As at 31/03/2020 (₹ Lakhs)		As at 31/03/2019 (₹ Lakhs)	
	Current	Non-Current	Current	Non-Current
Royalty Receivable	22.70	-	58.78	-
Lease Rent Receivable	2.65	-	-	-
Others	11.22	-	-	-
Total	36.57	-	58.78	-
8 Other Non-Financial Assets				
Particulars	As at 31/03/2020 (₹ Lakhs)		As at 31/03/2019 (₹ Lakhs)	
	Current	Non-Current	Current	Non-Current
Prepaid expenses	35.16	-	30.95	-
Total	35.16	-	30.95	-

PISGAH LABORATORIES INC., USA

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

9 Share Capital

Particulars	As at 31/03/2020		As at 31/03/2019	
	No. of shares	(₹ Lakhs)	No. of shares	(₹ Lakhs)
Equity Share Capital				
Face Value	USD 1		USD 1	
Class of Shares	Equity Shares fully paid		Equity Shares fully paid	
Issued & Subscribed & Paid up	92,000	58.90	92,000	58.90
Preference Share Capital				
Face Value	USD 1000			
Class of Shares	Reddemable Preference Shares			
Redeemable Preference Shares	3,400	2,370.93	1,600	1,106.40
Total	95,400	2,429.83	93,600	1,165.30

Disclosures:

i) Reconciliation of Shares

Particulars	As at 31/03/2020		As at 31/03/2019	
	No. of shares	(₹ Lakhs)	No. of shares	(₹ Lakhs)
Ordinary Equity Shares				
Shares outstanding at the beginning of the year	92,000	58.90	92,000	58.90
Shares Issued during the year			-	-
Shares outstanding at the end of the year	92,000	58.90	92,000	58.90
Redeemable Preference Shares				
Shares outstanding at the beginning of the year	1,600.00	1,106.40	-	-
Shares Issued during the year	1,800.00	1,264.53	1,600.00	1,106.40
Shares outstanding at the end of the year	3,400.00	2,370.93	1,600.00	1,106.40

ii) Details of Shareholding in excess of 5%

Name of Shareholder	As at 31/03/2020		As at 31/03/2019	
	No. of shares	Percentage of holding	No. of shares	Percentage of holding
Ipca Pharmaceuticals Inc, USA	82,800	90.00	82,800	90.00
Onyx scientific Limited	9,200	10.00	9,200	10.00

10 Other Equity

Particulars	As at 31/03/2020		As at 31/03/2019	
	(₹ Lakhs)		(₹ Lakhs)	
Retained Earning	(6,104.50)		(1,600.37)	
Fair Value adjustment reserve	6,231.63		6,231.63	
Foreign Currency Translation Reserve	864.52		507.13	
Total	991.65		5,138.39	

PISGAH LABORATORIES INC., USA

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

11 Financial Liabilities - Other Current Liabilities

Particulars	As at 31/03/2020 (₹ Lakhs)	As at 31/03/2019 (₹ Lakhs)
Other Payables	-	23.04
Total	-	23.04

12 Financial Liabilities - Trade Payables

Particulars	As at 31/03/2020 (₹ Lakhs)	As at 31/03/2019 (₹ Lakhs)
Trade Payables - Others	87.76	40.94
Total	87.76	40.94

13 Non Financial Liabilities - Other Current Liabilities

Particulars	As at 31/03/2020 (₹ Lakhs)	As at 31/03/2019 (₹ Lakhs)
Duties & Taxes payable	-	1.84
Total	-	1.84

14 Non Financial Liabilities - Current Tax Liabilities (Net)

Particulars	As at 31/03/2020 (₹ Lakhs)	As at 31/03/2019 (₹ Lakhs)
Provision for tax	5.67	9.68
Total	5.67	9.68

15 Revenue From Operation

Particulars	2019-20 (₹ Lakhs)	2018-19 (₹ Lakhs)
Sale of goods	162.37	30.80
Total	162.37	30.80

16 Other Income

Particulars	2019-20 (₹ Lakhs)	2018-19 (₹ Lakhs)
Royalties Received	115.22	178.10
Land Lease income	2.48	2.45
Interest Income	0.11	0.08
Total	117.81	180.63

17 Cost of Material Consumed

Particulars	2019-20 (₹ Lakhs)	2018-19 (₹ Lakhs)
Raw Materials Consumed		
Opening Stock	146.17	121.26
Add : Purchases	20.41	34.37
Less : Closing Stock	(164.07)	(146.17)
Total	2.51	9.46
Details of Purchases		
Chemicals	20.41	34.37
Total	20.41	34.37
Details of Stock		
Chemicals	164.07	146.17
Total	164.07	146.17

PISGAH LABORATORIES INC., USA

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

18 Changes in Inventories of finished goods, work in progress and stock in trade

Particulars	2019-20 (₹ Lakhs)	2018-19 (₹ Lakhs)
Inventory Adjustments - Finished Goods		
Stock at Commencement	72.33	-
Less : Stock at Closing	(79.14)	(72.33)
Total	(6.81)	(72.33)
Inventory adjustments - WIP		
Stock at commencement	-	-
Less: - Stock at closing	(136.52)	-
Total	(136.52)	-
Total	(143.33)	(72.33)

19 Employee benefits expense

Particulars	2019-20 (₹ Lakhs)	2018-19 (₹ Lakhs)
Salaries	711.50	530.03
Staff Welfare	102.19	53.13
Others	78.71	49.08
Total	892.40	632.24

20 Other Expenses

Particulars	2019-20 (₹ Lakhs)	2018-19 (₹ Lakhs)
Travelling and Boarding expenses	16.69	9.48
Rent	29.10	29.78
Insurance	19.68	24.78
Rates and taxes	13.57	14.29
Books, Subscription & Software	1.47	1.80
Repairs & Maintenance		
- Building	31.16	6.65
- Machinery	74.33	78.03
- Others	24.23	12.94
Communication expenses	15.75	24.14
Legal & Professional charges	93.29	137.73
Audit fees	11.34	8.75
Consumables of Stores	238.07	138.52
Bank Charges	2.20	2.46
Product Liability	8.10	-
Laboratory expenses & Analytical Charges	37.79	38.77
Office Expenses & Supplies	26.09	20.84
Advertising & Promotion	-	0.37
Security Exp.	1.19	3.13
Miscellaneous Expenses	1.89	-
Total	645.94	552.46

PISGAH LABORATORIES INC., USA

Notes to financial statements as at and for the period ended March 31, 2020

21 Disclosure as required by IND AS 24 "Related Party Disclosures" notified by the Companies (Accounting Standards) Rules 2015.

Relationship:	Country
Entities where control exists	
Ultimate Holding Company Ipcalaboratories Ltd., India	India
Holding Company Ipcalaboratories Inc., USA	USA
Entities having significant influence Onyx Scientific Ltd.	UK
Key Management Personnel Mr. Pranay Godha-Director	India

Description	Entities where control exists		Total
	Ultimate Holding Company	Holding Company	
	(₹ Lakhs)		
Purchase of goods			
Ipcalaboratories Ltd. (Previous year)	4.38	-	4.38
Total Previous Year	4.38	-	4.38
Issue of Preference Shares			
Ipcalaboratories Inc. USA (Previous year)	-	1,264.53	1,264.53
Total Previous Year	-	1,264.53	1,264.53

22 Earning per Share

The earning per share is calculated by dividing the profit after tax by weighted average no. of shares outstanding for basic and diluted EPS.

Particulars	2019-20	2018-19
Profit after tax (₹ Lakhs)	(4504.13)	(1522.59)
Equity Shares Outstanding (Nos)		
-Opening	92,000	92,000
-Issued during the year	-	-
-Closing	92,000	92,000
Weighted Average no. of shares outstanding (Nos.) - Basic	92,000	92,000
Weighted Average no. of shares outstanding (Nos.) - Diluted	92,000	92,000
Nominal value of equity share	USD 1	USD 1
Earning per share (₹)		
- Basic	(4,895.79)	(1,654.99)
- Diluted	(4,895.79)	(1,654.99)

23 The annual accounts have been prepared on going concern basis.

24 The accounts have been prepared and restated in Indian Rupees for the purpose of attachment to the accounts of the ultimate holding company to comply with the provisions of Indian Companies Act.

25 The Balance Sheet, Statement of Profit & Loss, Cash Flow Statement, Statement of significant accounting policy and other explanatory notes form an integral part of the financial statements of the company for the period ended on 31st March, 2020.

For and on behalf of the Board of Directors

Pranay Godha
Pranay Godha
Chairman/Director

Date: June 15, 2020