

Vivimed Life Sciences Private Limited

Balance Sheet as at March 31, 2021

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

	Note	As at 31 March 2021	As at 31 March 2020
Assets			
Non-current assets			
(a) Property, plant and equipment	4	947.95	794.96
(b) Capital work-in-progress		53.09	179.34
(c) Other intangible assets	5	4.51	0.77
(d) Financial assets			
(i) Loans receivable	6	8.09	7.10
(e) Deferred tax assets	7	62.09	-
(f) Income tax assets	8	0.56	2.82
(g) Other non-current assets	9	18.87	16.14
		1,095.16	1,001.13
Current assets			
(a) Inventories	10	639.67	422.23
(b) Financial assets			
(i) Trade receivables	11	830.33	923.66
(ii) Cash and cash equivalents	12	5.62	22.01
(iii) Other balances with banks	13	5.66	5.33
(iv) Loans receivable	14	0.36	0.33
(c) Income tax assets	8	-	0.56
(d) Other current assets	15	316.36	269.79
		1,798.00	1,643.91
Total assets		2,893.16	2,645.04
Equity and Liabilities			
Equity			
(a) Equity share capital	16	282.67	282.67
(b) Other equity	17	309.81	187.28
Total equity		592.48	469.95
Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	25.00	50.00
(b) Provisions	19	27.98	21.26
		52.98	71.26
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	1,147.43	1,020.37
(ii) Trade payables	20		
- Total outstanding dues of micro & small enterprises		57.69	37.46
- Total outstanding dues of creditors other than micro & small enterprises		1,006.93	1,007.61
(iii) Other financial liabilities	21	9.97	9.83
(b) Other current liabilities	22	19.06	25.18
(c) Provisions	23	4.22	3.38
(d) Current tax liabilities	24	2.40	-
		2,247.70	2,103.83
Total liabilities		2,300.68	2,175.09
Total equity and liabilities		2,893.16	2,645.04

Summary of significant accounting policies


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

As per our report of even date attached

For Gnanoba & Bhat

Chartered Accountants

ICAI Firm Registration Number: 0009395



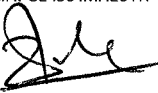
R Umesh
Partner

Membership No.: 027892

for and on behalf of the Board of Directors of

Vivimed Life Sciences Private Limited

CIN: U24304MH2017PTC348859



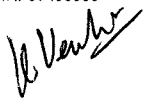
Umesh Pralhadrao Kale
Director

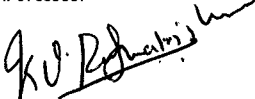
DIN: 07486080



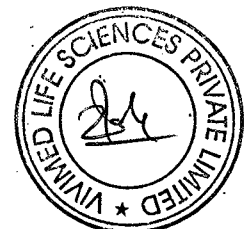
Vikesh Kumar
Director

DIN: 07669087


Venkatesh Kailasanathan
Chief Financial Officer


Radhakrishnan Vaidyanathan Kollengode
Company Secretary
M.No. A35149

Place: Bengaluru
Date: May 26, 2021




Vivimed Life Sciences Private Limited
Statement of Profit and Loss for the year ended March 31, 2021
 (All amounts in Indian Rupees millions, except share data and where otherwise stated)

	Note	For the year ended 31 March 2021	For the year ended 31 March 2020
Revenue from operations	25	1,708.50	1,129.85
Other income	26	30.70	66.71
Total income		1,739.20	1,196.56
Expenses			
Cost of materials consumed	27	1,121.80	580.40
Changes in inventories and work in progress	28	(222.83)	0.60
Employee benefits expense	29	212.59	158.64
Finance costs	30	122.29	95.38
Depreciation and amortisation expense	31	53.28	41.03
Other expenses	32	386.73	307.96
Total expense		1,673.86	1,184.01
Profit before exceptional items and tax		65.34	12.55
Exceptional items of gain / (loss) (net)		-	-
Profit before tax		65.34	12.55
Tax expenses			
Current tax	33	2.99	-
Deferred tax expense / (benefit)		(58.72)	-
Total tax expense		(55.73)	-
Profit for the year		121.07	12.55
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Re-measurement gains/ (losses) on defined benefit plan		(1.91)	(7.15)
Income-tax on above		3.37	-
Other comprehensive income for the year, net of tax		1.46	(7.15)
Total comprehensive income for the year		122.53	5.40
Earnings per equity share (nominal value of ₹10) in ₹			
Basic		4.28	0.44
Diluted		4.28	0.44

Summary of significant accounting policies 3
 The accompanying notes are an integral part of the financial statements.

As per our report of even date attached
For Gnanoba & Bhat
 Chartered Accountants
 ICAI Firm Registration Number: 000939S


R Umesh
 Partner
 Membership No.: 027892

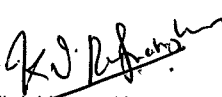
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Vivimed Life Sciences Private Limited
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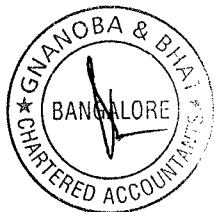

Umesh Pralhadrao Kale
 Director
 DIN: 07486080


Vikesh Kumar
 Director
 DIN: 07669087

Place: Bengaluru
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Venkatesh Kailasanathan
 Chief Financial Officer


Radhakrishnan Vaidyanathan Kollengode
 Company Secretary
 M.No. A35149



Vivimed Life Sciences Private Limited

Statement of Cash Flows for the year ended March 31, 2021

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

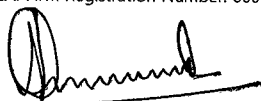
	31 March 2021	31 March 2020
I. Cash flows from operating activities		
Profit before tax	65.34	12.55
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Depreciation of tangible assets	52.13	40.94
Amortisation of intangible assets	1.15	0.09
Provision for doubtful debts	(23.53)	19.58
Provision for Inventory write off	33.59	7.60
Loss / (Gain) on sale of Assets (net)	(0.02)	2.50
Provision for bonus, gratuity & leave encashment	16.71	11.82
Unrealised forex loss / (gain)	28.09	(42.91)
Research and Development expenses	-	2.43
Sundry balances written off / (back)	16.94	(17.80)
Interest income	(0.56)	(0.44)
Finance costs	122.29	95.38
Operating profit before working capital changes	312.13	131.74
<i>Changes in working capital:</i>		
Decrease / (Increase) in trade and other receivables	8.28	(714.50)
Decrease / (Increase) in inventories	(251.03)	(241.41)
(Decrease) / Increase in trade and other payables	18.52	552.85
Decrease / (Increase) in margin money	(0.33)	0.44
Cash used in operations	87.56	(270.89)
Income taxes paid	2.23	(0.57)
Net cash used in operating activities	89.79	(271.46)
II. Cash flows from investing activities		
Proceeds from sale/ (Purchase of) PPE and intangibles (including CWIP), net	(86.51)	(198.12)
Interest received	0.56	0.44
Net cash used in investing activities	(85.95)	(197.68)
III. Cash flows from financing activities		
Proceeds from /(repayment of) long-term borrowings	(25.00)	(193.26)
Proceeds from/(repayment of) short-term borrowings (net)	127.06	775.70
Interest paid	(122.29)	(95.38)
Net cash generated from financing activities	(20.23)	487.06
Net increase / (decrease) in cash and cash equivalents (I+II+III)	(16.39)	17.92
Cash and cash equivalents at the beginning of the year	22.01	4.09
Cash and cash equivalents at the end of the year (refer note below)	5.62	22.01
Note:		
Cash and cash equivalents comprise:		
Cash on hand	0.01	0.02
Balances with banks:		
- in current accounts	5.61	21.99
	5.62	22.01

Summary of significant accounting policies

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

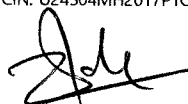
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 Partner
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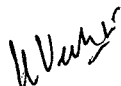
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Vivimed Life Sciences Private Limited
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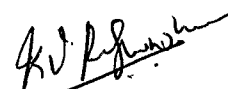
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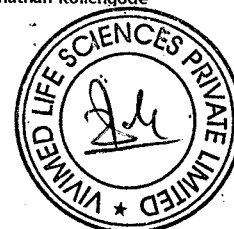


Venkatesh Kailasanathan
 Chief Financial Officer



Radhakrishnan Vaidyanathan Kollengode
 Company Secretary
 M.No. A35149

Place: Bengaluru
 Date: May 26, 2021



Vivimed Life Sciences Private Limited

Statement of Changes in Equity for the year ended March 31, 2021 and year ended March 31, 2020

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

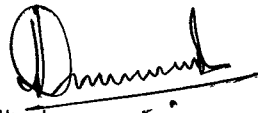
a. Equity Share Capital

	No. of shares	Amount
Balance as at April 1, 2019	2,82,66,880	282.67
Add: Issued during the year	-	-
Balance as at April 1, 2020	2,82,66,880	282.67
Add: Issued during the year	-	-
Balance as at March 31, 2021	2,82,66,880	282.67

b. Other equity

Particulars	Reserves and Surplus		Items of other comprehensive income	Total
	Securities premium	Retained earnings	Re -measurement of the defined benefit liabilities / (assets)	
At April 1, 2019	517.28	(332.36)	(3.04)	181.88
Profit for the year	-	12.55	-	12.55
Other comprehensive income	-	-	-	-
Re-measurement gains/ (losses) on defined benefit plans, net of tax	-	-	(7.15)	(7.15)
At March 31, 2020	517.28	(319.81)	(10.19)	187.28
Profit for the year	-	121.07	-	121.07
Other comprehensive income	-	-	-	-
Re-measurement gains/ (losses) on defined benefit plans, net of tax	-	-	1.46	1.46
Balance as at March 31, 2021	517.28	(198.74)	(8.73)	309.81

As per our report of even date attached
For Gnanoba & Bhat
Chartered Accountants
ICAI Firm Registration Number: 000939S


R Umesh
Partner
Membership No.: 027892

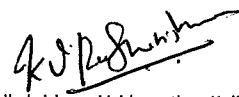
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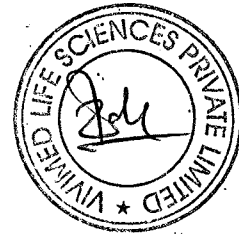
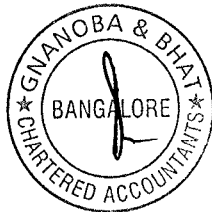

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Venkatesh Kailasanathan
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Vivimed Life Sciences Private Limited

Notes forming part of the financial statements

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

1 General Information

Vivimed Life Sciences Private Limited (VLSPL) was incorporated on 20th February, 2017 as wholly owned subsidiary of M/s Vivimed Labs Limited. During FY 2017-18, VLSPL entered into a Joint Venture agreement with M/s Strides Pharma Science Limited by issue of equal proportion of equity shares. On 12th June, 2017, Vivimed Life Sciences Private Limited, completed the acquisition of the USFDA approved unit from M/s Vivimed Labs Limited. The Company is primarily engaged in the manufacturing and sale of solid oral dosage forms (tablets and capsules) at its plant in Chennai, Tamil Nadu. On March 29, 2019, M/s Strides Pharma Science Limited acquired the entire equity held by M/s Vivimed Labs Limited and thereby VLSPL became Wholly Owned Subsidiary of M/s Strides Pharma Science Limited. During the year, the registered office of the company was shifted to the State of Maharashtra.

2 Basis of preparation of financial statements

2.1 Statement of Compliance

The financial statements have been prepared in accordance of Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules 2015 notified under Section 133 of Companies Act 2013 (the 'Act') and other relevant provisions of the Act.

The financial statements were authorised for issue by the Company's Board of Directors on May 26, 2021.

Details of the accounting policies are included in Note 3.

2.2 Basis of measurement

These financial statements have been prepared on the historical cost convention and on an accrual basis, except for the following material items in the statement of financial position:

- Net defined benefit assets/(liability) are measured at fair value of plan assets, less present value of defined benefit obligations

2.3 Functional and presentation currency

These financial statements are presented in Indian Rupees, which is also the Company's functional currency. All amounts have been rounded-off to two decimal places to the nearest million, unless otherwise indicated.

2.4 Operating cycle

All the assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

Assets:

An asset is classified as current when it satisfies any of the following criteria:

- a) it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is expected to be realized within twelve months after the reporting date; or
- d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Liabilities:

A liability is classified as current when it satisfies any of the following criteria:

- a) it is expected to be settled in the Company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is due to be settled within twelve months after the reporting date; or
- d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current assets/ liabilities include the current portion of non-current assets/ liabilities respectively. All other assets/ liabilities are classified as non-current.



Vivimed Life Sciences Private Limited

Notes forming part of the financial statements

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

2.5 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 3, the management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the areas of estimation uncertainty and critical judgements that the management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Provision and contingent liability

On an ongoing basis, Company reviews pending cases, claims by third parties and other contingencies. For contingent losses that are considered probable, an estimated loss is recorded as an accrual in financial statements. Loss Contingencies that are considered possible are not provided for but disclosed as Contingent liabilities in the financial statements. Contingencies the likelihood of which is remote are not disclosed in the financial statements. Gain contingencies are not recognized until the contingency has been resolved and amounts are received or receivable.

Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting. As at March 31, 2021 management assessed that the useful lives represent the expected utility of the assets to the Company. Further, there is no significant change in the useful lives as compared to previous year.

2.6 COVID-19

In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. The Company has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption. The Company has considered available internal and external information while finalizing various estimates in relation to its financial statements up to the date of approval of the financial statements by the Board of Directors. The Company has evaluated the possible impact of the pandemic on the operations and based on such evaluation, the management has determined that the impact if any, during the financial year ended 31st March 2021 has been minimal. The Company will continue to closely monitor any material changes to future economic conditions.

3 Significant accounting policies

3.1 Revenue recognition

Revenue from contracts with customers:

The Company recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services. A 5-step approach is used to recognise revenue as below:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Other income:

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable..

3.2 Foreign currencies

In preparing the financial statements of the Company, transactions in currencies other than the company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.



Vivimed Life Sciences Private Limited

Notes forming part of the financial statements

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

3.3 Taxation

Income tax expense consists of current and deferred tax. Income tax expense is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and taxable temporary differences arising upon the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3.4 Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its ordinary shares. The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the net profit attributable to equity shareholders for the year relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share.

3.5 Property, plant and equipment (PPE)

The initial cost of PPE comprises its purchase price, including import duties and non-refundable purchase taxes, and any directly attributable costs of bringing an asset to working condition and location for its intended use, including relevant borrowing costs and any expected costs of decommissioning, less accumulated depreciation and accumulated impairment losses, if any. Expenditure incurred after the PPE have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

Material items such as spare parts, stand-by equipment and service equipment are classified as PPE when they meet the definition of PPE as specified in Ind AS 16 – Property, Plant and Equipment.

3.6 Depreciation

Depreciation is the systematic allocation of the depreciable amount of PPE over its useful life and is provided on a straight-line basis over the useful lives as prescribed in Schedule II to the Act or as per technical assessment.

Depreciable amount for PPE is the cost of PPE less its estimated residual value. The useful life of PPE is the period over which PPE is expected to be available for use by the Company, or the number of production or similar units expected to be obtained from the asset by the Company.

The Company has componentised its PPE and has separately assessed the life of major components. The Company depreciates its PPE over the useful lives as prescribed in Schedule II to the Act.

Depreciation on additions is provided on a pro-rata basis from the month of installation or acquisition and in case of Projects from the date of commencement of commercial production. Depreciation on deductions/disposals is provided on a pro-rata basis up to the date of deduction/disposal.



Vivimed Life Sciences Private Limited

Notes forming part of the financial statements

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

4 Property, plant and equipment

Particulars	Land	Buildings	Plant and Machinery	Office Equipment	Computers	Furniture	Vehicles	Electrical Installations	Laboratory Equipments	Total
At April 1, 2019	308.58	147.73	370.39	0.93	19.43	13.28	1.21	-	-	861.56
Additions	-	-	6.26	3.10	3.09	4.52	-	1.12	14.24	32.33
Disposals	-	-	3.21	0.03	0.02	0.03	-	-	-	3.29
At March 31, 2020	308.58	147.73	373.44	4.00	22.51	17.77	1.21	1.12	14.24	890.60
Additions	-	49.61	80.23	9.61	26.45	2.80	-	2.05	37.45	208.19
Disposals	-	-	3.76	-	-	-	-	-	-	3.76
At March 31, 2021	308.58	197.35	449.91	13.60	48.95	20.57	1.21	3.17	51.69	1,095.03
Accumulated depreciation										
At April 1, 2019	-	10.38	37.42	0.25	1.12	5.68	0.36	-	-	55.21
Charge for the year	-	5.81	23.36	0.47	6.47	3.32	0.20	0.68	0.62	40.93
Less: Adjustments	-	-	0.50	-	-	0.01	-	-	-	0.51
At March 31, 2020	-	16.19	60.29	0.72	7.59	8.98	0.56	0.68	0.62	95.63
Charge for the year	-	7.93	24.78	2.40	10.74	2.64	0.20	0.19	3.26	52.13
Less: Adjustments	-	-	0.69	-	-	-	-	-	-	0.69
At March 31, 2021	-	24.12	84.37	3.12	18.33	11.62	0.75	0.88	3.88	147.08
Carrying amount										
At March 31, 2020	308.58	131.54	313.15	3.27	14.90	8.79	0.65	0.44	13.62	794.96
At March 31, 2021	308.58	173.23	365.53	10.48	30.62	8.96	0.46	2.29	47.81	947.95

Note:

Charge on Property, plant and equipment

All the property, plant and equipment are subject to a first charge to secure the Company's working capital bank loans.

5 Other intangible assets

Particulars	Software License	Total
At April 1, 2019	-	-
Additions	0.86	0.86
Impairment	-	-
At March 31, 2020	0.86	0.86
Additions	4.89	4.89
Impairment	-	-
At March 31, 2021	5.75	5.75
Amortisation		
At April 1, 2019	-	-
Charge for the year	0.09	0.09
Impairment	-	-
At March 31, 2020	0.09	0.09
Charge for the year	1.15	1.15
Impairment	-	-
At March 31, 2021	1.24	1.24
Carrying amount		
At March 31, 2020	0.77	0.77
At March 31, 2021	4.51	4.51



Vivimed Life Sciences Private Limited

Notes forming part of the financial statements

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

6	Loans receivable	31 March 2021	31 March 2020
	Unsecured, Considered good:		
	Security deposits	8.09	7.10
	Total	8.09	7.10
8	Income tax assets	31 March 2021	31 March 2020
	Non Current		
	Advance tax (net of Provisions)	0.56	2.82
	Total	0.56	2.82
	Current		
	Advance tax (net of Provisions)	-	0.56
	Total	-	0.56
9	Other Non-current Assets	31 March 2021	31 March 2020
	Considered good:		
	Capital Advances	18.87	16.14
	Total	18.87	16.14
10	Inventories	31 March 2021	31 March 2020
	Raw Materials & Packing Materials (including Goods in transit)	358.49	363.89
	Semi-finished & Work in process	43.60	24.48
	Finished Goods	237.58	33.86
	Total	639.67	422.23

* Inventories are provided as security for working capital loans availed by the Company.

* Refer note 3.9 for method of valuation of inventories.

11	Trade receivables	31 March 2021	31 March 2020
	Unsecured:		
	Considered good (refer note 1 & 2 below)	830.33	923.66
	Credit impaired	54.93	78.45
		885.26	1,002.11
	Less: Allowance for doubtful receivables (refer note 2 & 3 below)	(54.93)	(78.45)
	Total	830.33	923.66

1. Includes receivables from related parties (Refer note 34)

2. The Company has an aggregate export receivable of INR 409.14 Mn (USD 5.64 Mn) from various customers outstanding beyond the prescribed time limit for realization as per the extant Foreign Exchange Management Act (FEMA) regulations. The management has reviewed these balances and based on such review, it has determined that a sum of INR 54.93 Mn (USD 0.79 Mn) is irrecoverable. Accordingly, this amount is proposed to be written off at a later date after obtaining appropriate approvals from the regulatory authorities, pending which the same has been provided for.

Of the above, a sum of INR 354.21 Mn (USD 4.84 Mn) is overdue from Wockhardt Bio AG (Dubai), UAE, beyond the prescribed time limit. While this account balance has been confirmed by the customer, remittances are not readily forthcoming. Pending recovery of this amount, a corresponding sum of INR 363.44 Mn payable by the Company to another entity of the Wockhardt group of companies in India has been put on hold. The Company and Wockhardt group management are in discussions for an early resolution to the matter to clear the respective book balances. The Company is also exploring all other available options for recovery of the dues. Pending settlement of these countervailing claims with the customer and vendor entities, the Company is of the view that these export receivables are prima facie good and no provision is considered necessary at present as the exposure to the Workhardt group on an overall basis is nil. The Company is also in the process of initiating the requisite regulatory compliance in respect of these receivables.

3. In determining the allowance for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.



Vivimed Life Sciences Private Limited

Notes forming part of the financial statements

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

	31 March 2021	31 March 2020
Movement in expected credit loss allowance		
Particulars		
Balance at the beginning of the year	(78.45)	(58.87)
Written off during the year	23.52	-
Movement in expected credit loss allowance on trade receivables calculated at lifetime expected credit losses	-	(19.58)
Balance at end of the year	(54.93)	(78.45)
12 Cash and cash equivalents	31 March 2021	31 March 2020
Cash on hand	0.01	0.02
Balances with banks:		
- In current accounts	5.61	21.99
Total	5.62	22.01
13 Other balances with banks	31 March 2021	31 March 2020
Balance held as margin money against working capital facilities with banks	5.66	5.33
Total	5.66	5.33
14 Loans (Unsecured, considered good unless otherwise stated)	31 March 2021	31 March 2020
Current		
Unsecured, considered good:		
Loans to employees	0.36	0.33
Total	0.36	0.33
15 Other current assets	31 March 2021	31 March 2020
Unsecured, considered good:		
Advances other than capital advances	-	-
Advances to suppliers	13.30	24.10
Advances to employees	0.07	0.09
Receivables from related parties (Refer note 34)	38.80	0.25
Incentive receivable	54.23	31.84
Balances with Government authorities	195.77	210.48
Prepaid expenses	14.19	3.03
Total	316.36	269.79



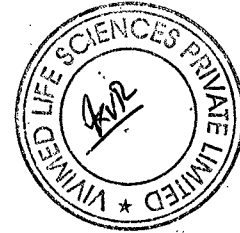
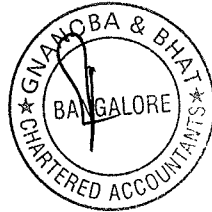
Vivimed Life Sciences Private Limited

Notes forming part of the financial statements

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

7 Deferred tax balances	31 March 2021	31 March 2020
Deferred tax assets	62.09	-
Deferred tax liabilities	-	-
Deferred tax assets/ liabilities (net)	62.09	-

2020-2021	Opening balance	Recognised in statement of profit and loss	Recognised in other comprehensive income	Closing balance
Deferred tax (liabilities)/assets in relation to:				
Property, plant and equipment	-	(39.87)	-	(39.87)
Provision for employee benefits	-	6.98	3.37	10.35
Others	-	29.53	-	29.53
Sub Total	-	(3.36)	3.37	0.00
MAT credit entitlement	-	2.99	-	2.99
Tax losses & accumulated depreciation	-	59.09	-	59.09
Grand Total	-	58.72	3.37	62.09



Vivimed Life Sciences Private Limited

Notes forming part of the financial statements

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

16 Share Capital

	31 March 2021	31 March 2020
Authorised Share Capital		
30,000,000 equity shares of ₹10 each	300.00	300.00
Issued, subscribed and fully paid-up		
28,266,880 equity shares of ₹10/- each fully paid-up	282.67	282.67
	282.67	282.67

(During the Financial Year 2017-18 Vivimed Life Sciences Private Limited had issued 1,41,23,440 equity shares to Vivimed Labs Ltd., for consideration other than in cash).

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

Particulars	Number of Shares	Number of Shares
Balance at April 01, 2019 (Equity shares of ₹10/- each fully paid-up)	2,82,66,880	2,82,66,880
Add: Issued during the year	-	-
Balance at March 31, 2020 (Equity shares of ₹10/- each fully paid-up)	2,82,66,880	2,82,66,880
Issued during the year (Equity shares of ₹10/- each fully paid)	-	-
Balance at March 31, 2021 (Equity shares of ₹10/- each fully paid-up)	2,82,66,880	2,82,66,880

(b) Terms / rights attached to the equity shares

Equity shares of the Company have a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by holding company

Particulars	31 March 2021	31 March 2020
Equity shares of ₹10/- each fully paid		
Strides Pharma Science Limited (Holding Company)		
Number of shares held	2,82,66,880	2,82,66,880
% of holding	100.00%	100.00%

Note: Of 28,266,880 shares, 1 share is held by Manjula Ramamurthy as nominee of Strides Pharma Science Limited.

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

Particulars	31 March 2021	31 March 2020
Equity shares of ₹10/- each fully paid		
Strides Pharma Science Limited (Holding Company)		
Number of shares held	2,82,66,880	2,82,66,880
% of holding	100.00%	100.00%

17 Other equity

	31 March 2021	31 March 2020
Securities premium		
Opening balance	517.28	517.28
Additions during the year	-	-
Closing balance	517.28	517.28
Retained earnings		
Opening balance	(330.00)	(335.40)
Profit/(loss) for the year	121.07	12.55
Other comprehensive income	1.46	(7.15)
Closing balance	(207.47)	(330.00)
Total other equity	309.81	187.28



Vivimed Life Sciences Private Limited

Notes forming part of the financial statements

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

	31 March 2021	31 March 2020
18 Borrowings		
Non-current Borrowings		
Secured loans		
Term loans		
- From banks (refer note A below)	25.00	50.00
Total non-current borrowings	25.00	50.00
Current Borrowings		
Secured loans repayable on demand		
Current maturities of long term debt	25.00	25.00
Working capital loans		
- Cash credit and packing credit loans (refer note B below)	218.02	218.90
	218.02	218.90
Unsecured loans		
Working capital loans		
- A Treds Limited	74.52	-
From related party including interest accrued (Refer note 34)	829.89	776.47
	904.41	776.47
Total current borrowings	1,147.43	1,020.37

A. Term loans:

Term loan from Banks consists of:

(i) Term loan taken from RBL Bank for ₹100 million repayable in 16 equal quarterly installments (12 months moratorium from the date of disbursement) at an interest rate of 10.15%.

Term loan includes current maturity of Rs 25 million (previous year: Rs 25 million)

The term loan is secured by a charge on the moveable and immovable assets of the Company, both present and future, with a paripassu charge.

B. Cash credits and packaging credit loans:

The Company has working capital facilities in the form of cash credits and packing credit from RBL Bank, amounting to a total limit of ₹220 million with interest rates of 10.15% for cash credit and Libor + 250 BPS for packing credit facility.

The Company's Term Loan and Working Capital facilities are guaranteed by Strides Pharma Science Limited.

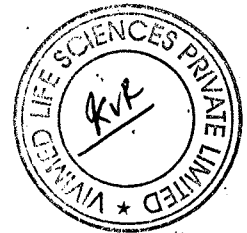
Net debt reconciliation

Particulars	31 March 2021	31 March 2020
Non-current borrowings	25.00	50.00
Current borrowings	1,122.43	995.37
Current maturities of non-current borrowings	25.00	25.00
Less:		
Cash and cash equivalents	5.62	22.01
Balances in deposit accounts	5.66	5.33
Net debt	1,161.15	1,043.03

Reconciliation

	As on April 1, 2020	Cash flows	Borrowing / (Repayments)	As on March 31, 2021
Cash and cash equivalents	22.01	(16.39)		5.62
Balances in deposit accounts	5.33	0.33		5.66
Non Current borrowings (including current maturities)	75.00	-	(25.00)	50.00
Current borrowings	995.37	-	127.06	1,122.43
	1,043.03	16.06	102.06	1,161.15

	31 March 2021	31 March 2020
19 Provisions		
Non-Current		
Provision for employee benefits (Refer Note 36)		
- Gratuity	15.32	11.86
- Compensated absences	12.66	9.40
Total	27.98	21.26



Vivimed Life Sciences Private Limited

Notes forming part of the financial statements

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

	31 March 2021	31 March 2020
20 Trade payables		
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	57.69	37.46
- Total outstanding dues of creditors other than micro enterprises and small enterprises (refer note 1 & 2 below)	1,006.93	1,007.61
Total	1,064.62	1,045.07

1. Includes receivables from related parties (Refer note 34)

2. As on the date of these accounts, the company has an aggregate sum of INR 14.65 mn (USD 0.20 mn) payable to overseas group companies towards reimbursement of expenses and sales price difference which are outstanding beyond the prescribed time limit for payment as per the extant Foreign Exchange Management Act (FEMA) regulations. Of this, a sum of INR 6.92 mn (USD 0.09 mn) has since been paid. The Company is in the process of collating the requisite documentation for initiating the balance payment. Pending this no provision has been made in these accounts for additional liability if any, on account of delay in payment.

Disclosure required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	31 March 2021	31 March 2020
a) Principal amount remaining unpaid as at the end of the accounting year	57.69	37.46
b) Interest due on the above remaining unpaid as at the end of the accounting year	3.60	2.36
c) The amount of interest paid along with the amounts of the payment made beyond the appointed day	-	-
d) The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the MSMED Act, 2006;	-	-
e) The amount of interest accrued and remaining unpaid at the end of the accounting year	10.35	6.75
f) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

All trade payables are current. The Company's exposure to currency and liquidity risks related to trade payables is disclosed in Note 38.

	31 March 2021	31 March 2020
21 Other financial liabilities		
Current		
Creditors for capital goods	4.93	4.97
Statutory liabilities	5.04	4.86
Total	9.97	9.83

	31 March 2021	31 March 2020
22 Other Current liabilities		
Advance from customers	8.54	16.69
Interest payable to vendors registered under MSMED Act	10.35	6.75
Payable to related parties (Refer note 34)	0.17	1.74
Total	19.06	25.18

	31 March 2021	31 March 2020
23 Provisions		
Current		
Provision for employee benefits (Refer Note 36)		
- Gratuity	2.01	1.79
- Compensated absences	2.21	1.59
Total	4.22	3.38

	31 March 2021	31 March 2020
24 Current tax liabilities		
Provision for taxes (net of taxes paid in advance)	2.40	-
Total	2.40	0.00



Vivimed Life Sciences Private Limited

Notes forming part of the financial statements

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

25 Revenue from operations

	31 March 2021	31 March 2020
Revenue from sale of products	1,670.42	1,083.31
Other operating revenue	38.08	46.54
Total	1,708.50	1,129.85

Other operating revenue comprises:

Government incentive	26.28	25.65
Duty Drawback - Incentives	10.62	6.37
Scrap Sales	1.18	1.79
Others	-	12.73
Total	38.08	46.54

26 Other income

	31 March 2021	31 March 2020
Net gain on foreign currency transactions	-	45.00
Gain on Asset Sale	0.02	-
Interest income	0.56	0.44
Provisions no longer required reversed	23.53	-
Liabilities no longer payable written back	6.59	21.27
Total	30.70	66.71

27 Cost of materials consumed

	31 March 2021	31 March 2020
Opening Stock	363.89	129.48
Add : Purchases during the year RM, PM, Consumables	1,116.40	814.81
	1,480.29	944.29
Less : Closing Stock of RM, PM, Consumables	358.49	363.89
Total	1,121.80	580.40

28 Changes in inventories and Work in progress

	31 March 2021	31 March 2020
Finished Goods		
Inventories at the beginning of the year	33.86	11.48
Less : Inventories at the end of the year	237.57	33.86
Sub Total (A)	(203.71)	(22.38)
Semi Finished Goods & Work in Progress		
Inventories at the beginning of the year	24.48	47.46
Less : Inventories at the end of the year	43.60	24.48
Sub Total (B)	(19.12)	22.98
(Increase) / Decrease in Inventories	(222.83)	0.60

29 Employee benefits expense

	31 March 2021	31 March 2020
Salaries, wages and bonus	170.46	135.00
Contribution to provident and other funds	9.77	7.18
Gratuity (Refer Note 36)	3.68	1.66
Staff welfare expenses	28.68	14.80
Total	212.59	158.64



Vivimed Life Sciences Private Limited

Notes forming part of the financial statements

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

30 Finance costs

	31 March 2021	31 March 2020
Interest on Borrowings from banks	18.79	31.19
Interest to Holding Company (Refer note 34)	93.47	54.02
Interest on Income Tax / TDS	0.15	-
Interest - Others	5.64	4.30
Other finance costs	1.54	2.97
Guarantee commission (Refer note 34)	2.70	2.90
Total	122.29	95.38

31 Depreciation and amortisation expense

	31 March 2021	31 March 2020
Depreciation of tangible assets	52.13	40.94
Amortization of intangible assets	1.15	0.09
Total	53.28	41.03

32 Other expenses

	31 March 2021	31 March 2020
Subcontracting charges	18.19	15.25
Power, Fuel & Water	61.79	57.67
Rent	0.94	4.63
Repairs and maintenance:		
- Buildings	1.01	14.36
- Machinery	41.89	24.32
- Others	1.70	1.83
Security charges	3.66	2.64
Insurance	1.27	0.59
Rates & Taxes	0.21	37.06
Communication	2.30	2.38
Travelling and conveyance	0.70	3.28
Printing & Stationery	1.84	2.30
Carriage, freight and forwarding	110.51	8.47
Support Service charges	4.28	3.30
Legal and professional fees	3.45	21.66
Payments to auditors (Refer Note (i) below)	1.08	0.83
Loss on sale of property, plant and equipment	-	2.50
Consumption of stores and spares	50.34	61.37
USFDA - Facility Fees / Product Reg expense	15.51	15.83
Advances written off	-	3.47
Net loss on foreign currency transaction	39.28	-
Bad debts written off / provision for doubtful trade and other receivables	23.53	19.58
Research and development expenses	-	2.43
Donation	0.03	-
Miscellaneous Expenses	3.22	2.21
Total	386.73	307.96

Note:

(i) Payments to the auditors comprises (net of taxes) for:

	31 March 2021	31 March 2020
- Statutory Audit	0.70	0.70
- Taxation matters	0.16	0.13
- Other Services (Limited review & certification)	0.22	-
Total	1.08	0.83

33 Tax expenses

	31 March 2021	31 March 2020
Current tax:		
Current tax expense	2.99	-
	2.99	-
Deferred tax benefit:		
Deferred tax benefit	(55.73)	-
Minimum alternative tax credit	(2.99)	-
	(58.72)	-
Income tax expense recognised in the statement of profit or loss	(55.73)	-



Vivimed Life Sciences Private Limited

Notes forming part of the financial statements

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

34 Related party disclosures

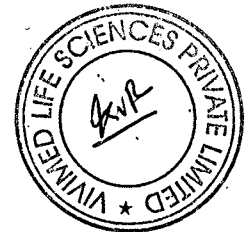
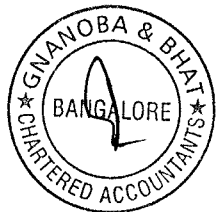
a) Names of related parties and description of relationship

Holding Company	Strides Pharma Science Limited
Group Companies	Strides Pharma Global Pte Limited
	Arco Lab Private Limited
	Strides Emerging Markets Limited*
	Strides Pharma Inc
Enterprises owned / significantly influenced by KMP / Director / Promoter Group of Holding Company	Solara Active Pharma Sciences Limited
	Lifecell International Private Limited
	Aurore Pharmaceuticals Private Limited
Key Managerial Personnel	
Chief Financial Officer	Venkatesh Kailasanathan
Manager	Ravi Prakash Reddy
Company Secretary	Radhakrishnan K V

*Strides Emerging Markets Limited merged with Strides Pharma Science Limited on December 1, 2020 with an appointed date of April 1, 2019.

b) Transactions with related parties

Entity	Nature of Transactions	Holding Company		Group company		Enterprises owned / significantly influenced by KMP / Director / Promoter Group of Holding Company	
		For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2021	For the year ended 31 March 2020
Arco Lab Private Limited	Support service expense	-	-	3.86	2.55	-	-
	Reimbursement of expenses incurred by	-	-	-	0.60	-	-
Strides Pharma Science Limited	Loan availed	451.13	785.60	-	-	-	-
	Loan repaid	355.06	226.00	-	-	-	-
	Interest expense	93.47	54.02	-	-	-	-
	Purchase of materials	456.34	179.31	-	-	-	-
	Purchase of assets	-	4.61	-	-	-	-
	Guarantee commission	2.70	2.90	-	-	-	-
	Reimbursement of expenses incurred by	39.09	6.88	-	-	-	-
	Sale of asset	3.08	-	-	-	-	-
	Sale of materials	102.60	17.33	-	-	-	-
	Office Rent	0.03	-	-	-	-	-
Employee related liability transfer by	0.68	-	-	-	-	-	
Solara Active Pharma Science Limited	Support service expense	-	0.89	-	-	-	-
Lifecell International Private Limited	Purchase of materials	-	-	-	-	-	6.00
Strides Pharma Global Pte Limited	Service charges	-	-	-	-	0.74	-
	Sale of Materials	-	-	1,431.91	804.33	-	-
Strides Pharma Inc	Reimbursement of expenses incurred on behalf of	-	-	39.00	0.24	-	-
	Reimbursement of expenses incurred by	-	-	-	7.22	-	-
Aurore Pharmaceuticals Private Limited	Purchase of materials	-	-	-	-	0.58	0.05



Vivimed Life Sciences Private Limited

Notes forming part of the financial statements

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

c) Managerial Remuneration

Key Managerial Personnel	Nature of Relationship	For the year ended 31 March 2021	For the year ended 31 March 2020
Ravi Prakash Reddy	Manager	8.70	9.07
Radhakrishnan K.V	Company Secretary	1.09	0.93

d) Details of balances receivable from and payable to related parties are as follows:

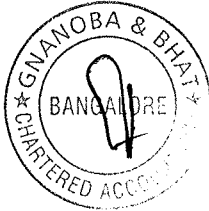
Name of Related Party	As at 31 March 2021	As at 31 March 2020
Balances Receivable / (Payable)		
Strides Pharma Science Limited	(1,087.66)	(1,019.60)
Arco Lab Private Limited	(1.20)	(0.93)
Solara Active Pharma Science Limited	-	(7.08)
Strides Pharma Global Pte Limited	446.32	516.97
Strides Pharma Inc	(6.92)	(7.13)
Aurore Pharmaceuticals Private Limited	-	(0.07)

e) Terms and conditions of transactions with related parties:

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free.

35 Segment information

In accordance with Ind AS 108 - Operating segments, segment information has been provided in the consolidated financial statements of Strides Pharma Science Limited (the Holding Company) and therefore no separate disclosure on segment information is given in these financial statements.



Vivimed Life Sciences Private Limited

Notes forming part of the financial statements

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

36 Gratuity

The Company provides its employees with benefits under a defined benefit plan referred to as the "Gratuity Plan". The Gratuity Plan entitles an employee, who has rendered at least five years of continuous service, to receive 15 days salary for each year of completed service (service of six months and above is rounded off as one year) at the time of retirement/exit.

The following tables summarize the components of net benefit expense recognised in the statement of profit or loss & the amounts recognised in the balance sheet:

Reconciliation of opening and closing balances of the present value of the defined benefit obligations:

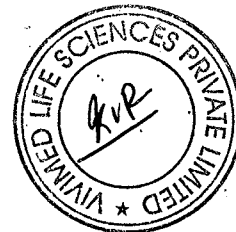
Particulars	31 March 2021	31 March 2020
Opening balance	13.64	6.14
Current service cost	2.86	1.25
Interest cost	0.82	0.41
Benefits paid	(1.91)	(1.30)
Actuarial (gain)/loss	1.91	7.15
Acquisition / Divestiture	-	-
Closing balance	17.33	13.64
Present value of projected benefit obligation at the end of the year	17.33	13.64
Fair value of plan assets at the end of the year	-	-
Net liability recognised in the balance sheet	17.33	13.64
Current provision	2.01	1.79
Non current provision	15.32	11.86
Expenses recognised in statement of profit and loss	31 March 2021	31 March 2020
Service cost	2.86	1.25
Interest cost	0.82	0.41
Gratuity cost	3.68	1.66
Re-measurement gains/ (losses) in OCI		
Actuarial (Gain) / Loss due to Demographic Assumption changes in DBO	(0.64)	0.00
Actuarial (Gain) / Loss due to Financial Assumption changes in DBO	0.17	0.63
Actuarial gain / (loss) due to others	2.39	6.51
Remeasurement because of OB difference	-	-
Return on plan assets greater (less) than discount rate	-	-
Total expenses routed through OCI	1.91	7.15

Assumptions	31 March 2021	31 March 2020
Discount rate (per annum)	6.24%	6.40%
Future salary increases	10.00%	10.00%

A quantitative sensitivity analysis for significant assumption and its impact on projected benefit obligation are as follows:

Particulars	31 March 2021	31 March 2020
Impact of 1% increase in discount rate	16.34	12.81
Impact of 1% decrease in discount rate	18.44	14.58
Impact of 1% increase in salary growth rate	18.29	14.52
Impact of 1% decrease in salary growth rate	16.44	12.84

These sensitivities have been calculated to show the movement in projected benefit obligation in isolation and assuming there are no other changes in market conditions.



Vivimed Life Sciences Private Limited

Notes forming part of the financial statements

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

Expected future Cash outflows towards the plan are as follows-

Financial Year	31 March 2021
2021-22	2.01
2022-23	2.01
2023-24	1.96
2024-25	2.12
2025-26	1.98
2026-27 to 2030-31	7.62

Actuarial Assumptions for Long-term Compensated Absence

Actuarial Assumptions	31 March 2021	31 March 2020
Discount Rate	6.24%	6.40%
Salary escalation Rate	10.00%	10.00%
Attrition Rate	-	-
Charge In the Statement of Profit and Loss	6.52	8.45
Liability at the year end	14.87	10.99

Note: The estimates and rate of escalation in actuarial valuation take into consideration inflation, seniority, promotion and other relevant factors such as employment market conditions. These figure are as certified by an actuary.

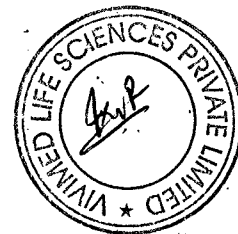
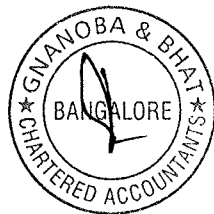
37 Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following table sets out the computation of basic and diluted earnings per share:

Particulars	31 March 2021	31 March 2020
Profit for the year attributable to equity share holders	121.07	12.55
Shares		
Weighted average number of equity shares outstanding during the year - basic	2,82,66,880	2,82,66,880
Weighted average number of equity shares outstanding during the year - diluted	2,82,66,880	2,82,66,880
Earnings per share		
Earnings per share of par value ₹ 10 - basic (₹)	4.28	0.44
Earnings per share of par value ₹ 10 - diluted (₹)	4.28	0.44



Vivimed Life Sciences Private Limited

Notes forming part of the financial statements

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38 Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support Company's operations. The Company's principal financial assets include inventory, trade and other receivables, cash and cash equivalents and refundable deposits that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarized below.

a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and other price risk, such as commodity risk. Financial instruments affected by market risk include loans and borrowings and refundable deposits. The sensitivity analysis in the following sections relate to the position as at March 31, 2021 and March 31, 2020. The sensitivity analysis have been prepared on the basis that the amount of net debt and the ratio of fixed to floating interest rates of the debt.

The analysis excludes the impact of movements in market variables on the carrying values of gratuity and other post retirement obligations; provisions. The below assumption has been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2021 and March 31, 2020.

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. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's short-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of variable rate borrowings. The Company does not enter into any interest rate swaps.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/decrease in interest rate	Effect on profit before tax
March 31, 2021		
INR in million	+1%	(11.72)
INR in million	-1%	11.72
March 31, 2020		
INR in million	+1%	(10.70)
INR in million	-1%	10.70

c) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The credit risk arises principally from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions and other financial instruments.

Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables are monitored on a continuous basis by the receivables team. The Company establishes an allowance for credit loss that represents its estimate of expected losses in respect of trade and other receivables based on the past and the recent collection trend.

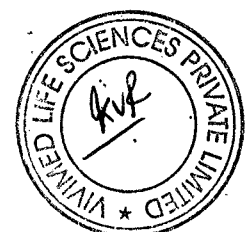
Credit risk on cash and cash equivalent is limited as the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

d) Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank deposits and loans.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	>5 years	Total
Year ended March 31, 2021						
Short-term Borrowings	1,122.43	-	-	-	-	1,122.43
Term Loan	-	-	25.00	25.00	-	50.00
Long-term Borrowings	-	-	-	-	-	-
Trade payables	1,064.62	-	-	-	-	1,064.62
Year ended March 31, 2020						
Short-term Borrowings	995.37	-	-	-	-	995.37
Term Loan	-	-	25.00	50.00	-	75.00
Long-term Borrowings	-	-	-	-	-	-
Trade payables	1,045.07	-	-	-	-	1,045.07



Vivimed Life Sciences Private Limited

Notes forming part of the financial statements

(All amounts in Indian Rupees millions, except share data and where otherwise stated)

39 Capital management

The Company's policy is to maintain a stable capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors capital on the basis of return on capital employed as well as the debt to total equity ratio.

For the purpose of debt to total equity ratio, debt considered is long-term and short-term borrowings. Total equity comprise of issued share capital and all other equity reserves.

The capital structure as of March 31, 2021 and March 31, 2020 was as follows:

Particulars	31 March 2021	31 March 2020
Total equity attributable to the equity shareholders of the Company	592.48	469.95
As a percentage of total capital	33.57%	30.51%
Long term borrowings including current maturities	50.00	75.00
Short term borrowings	1,122.43	995.37
Total borrowings	1,172.43	1,070.37
As a percentage of total capital	66.43%	69.49%
Total capital (equity and borrowings)	1,764.91	1,540.32

40 Foreign Currency Exposure

Foreign Currency Exposure as at March 31, 2021 that have not been hedged by a derivative instrument or other wise:

Particulars	31st March 2021		31st March 2020	
	Amount in Foreign Currency	₹ in Million	Amount in Foreign Currency	₹ in Million
Receivables - USD	12.11	882.82	13.07	978.41
Receivables - EURO	-	-	0.02	1.88
Receivables - CHF	-	-	0.03	2.56
Total		882.82		982.85
Payables - USD	2.90	212.24	2.78	209.50
Payables - EURO	0.01	0.57	0.05	4.13
Total		212.81		213.63

41 Merger of the Company with Strides Pharma Science Limited

The proposal relating to the Merger of the Company with Strides Pharma Science Limited, Holding Company was approved by the Board on October 23, 2020, wherein it was noted that the Appointed Date for the proposed Merger shall be October 1 2020. The necessary legal formalities are yet to be commenced in this regard.

42 Prior year comparatives

The figures of the previous year have been regrouped/reclassified, where necessary, to conform with the current year's classification.

for and on behalf of the Board of Directors of

Vivimed Life Sciences Private Limited

CIN: U24304MH2017PTC348859



Umesh Pralhadrao Kale

Director

DIN: 07486080



Vikesh Kumar

Director

DIN: 07669087



Venkatesh Kailasanathan

Chief Financial Officer



Radhakrishnan Vaidyanathan Kollengode

Company Secretary

M.No. A35149

