

**INDEPENDENT AUDITOR'S REPORT**

To the Members of Veeda Clinical Research Private Limited

**Report on the Audit of the Financial Statements****Opinion**

We have audited the accompanying financial statements of Veeda Clinical Research Private Limited ("the Company"), which comprise the Balance sheet as at March 31, 2020, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Emphasis of Matter**

We draw attention to Note no. 41 of the accompanying financial statement, as regards the management evaluation of COVID-19 impact on the operations and assets of the Company. Our opinion is not modified in respect of this matter.

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

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

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

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



## **Responsibilities of the Management for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Companies (Accounting Standards) Rules, 2006 (as amended) specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014 (as amended);
  - (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2020; and



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## **Report on Other Legal and Regulatory Requirements (continued)**

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 28 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



**per Sukrut Mehta**

Partner

Membership Number: 101974

UDIN: 20101974AAAADD4677

Place of Signature: Ahmedabad

Date: September 7, 2020



**Annexure 1 referred to in Paragraph of Report on Other Legal and Regulatory Requirements of our report of even date of Veeda Clinical Research Private Limited for the year ended March 31, 2020.**

- i. (a) The Company has maintained proper records showing full, including quantitative details and situation of property, plant and equipment.  
  
(b) All property, plant and equipment have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.  
  
(c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the company and accordingly, the requirements under clause 3(i)(c) of the Order are not applicable to the Company.
- ii. The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- iv. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable and hence not commented upon.
- vi. To the best of our knowledge and as explained, the Company is not in the business of sale of any goods. Therefore, in our opinion, the provisions of clause 3(vi) of the Order are not applicable to the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of custom, goods and service tax, professional tax, cess and other statutory dues are generally regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.





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(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of custom, goods and service tax, professional tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) The dues of income-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax and other material statutory dues on account of any dispute, are as follows:

Name of statute	Nature of dues	Amount involved (excluding interest and penalty)	Period to which the amount relates	Forum where the dispute is pending
Finance Act, 1994	Service tax	13,01,380	2008-09	CESTAT, Ahmedabad
Finance Act, 1994	Service tax	2,19,53,414	July 2012 to March 2014	CESTAT, Ahmedabad
Finance Act, 1994	Service tax	5,28,10,369	2015-16	Principal Commissioner
Finance Act, 1994	Service tax	4,56,43,931	2007-08 to 2011-12	Principal Commissioner
Finance Act, 1994	Service tax	2,61,88,870	2014-15	Principal Commissioner
Finance Act, 1994	Service tax	61,48,065	2014-15	CESTAT, Ahmedabad
Customs Act, 1962	Custom duty	27,86,250	2012-13 to 2013-14	Prin. Commissioner
Customs Act, 1962	Custom duty	19,65,359	2013-14 to 2016-17	CESTAT, Ahmedabad

viii. In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to financial institutions and banks. The Company did not have any due payable to debenture holders and government during the year.

ix. According to the information and explanations given by the management, the Company has not raised money by way of initial public offer, further public offer, debt instruments and term loans hence, reporting under clause 3(ix) is not applicable to the Company and hence not commented upon.

x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.



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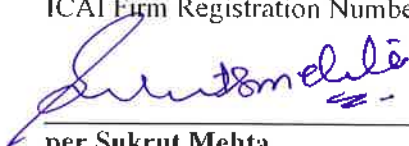
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- xi. According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- xii. In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- xiii. According to the information and explanations given by the management, transactions with the related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provision for Section 177 are not applicable to the Company and accordingly reporting under clause 3(xiii) insofar as it relates to Section 177 of the Act is not applicable to the Company and hence not commented upon.
- xiv. According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.
- xv. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.
- xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

**For S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



per Sukrut Mehta

Partner

Membership Number: 101974

UDIN: 20101974AAAADD4677

Place of Signature: Ahmedabad

Date: September 7, 2020



**Annexure 2 to the Independent Auditor's report of even date on the financial statements of Veeda Clinical Research Private Limited****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting with reference to the financial statement of Veeda Research Clinical Private Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to the financial statement.





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## **Meaning of Internal Financial Controls Over Financial Reporting with reference to these financial statement**

A company's internal financial control over financial reporting with reference to the financial statement is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to the financial statement includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to the financial statement**

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


## **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls over financial reporting with reference to the financial statement and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

## **For S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

  
per Sukrut Mehta

Partner

Membership Number: 101974

UDIN: 20101974AAAADD4677

Place of Signature: Ahmedabad

Date: September 7, 2020



Veeda Clinical Research Private Limited  
Balance Sheet as at March 31, 2020

(Amount in Rs.)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
<b>I. EQUITY AND LIABILITIES</b>			
Shareholders' funds			
Share capital	3	358,169,430	358,169,430
Reserves and surplus	4	547,544,081	536,933,294
Non-current liabilities			
Long-term borrowings	5	-	-
Other long-term liabilities	6	24,626,347	22,113,271
Long-term provisions	7	24,823,949	20,797,446
Current liabilities			
Short-term borrowings	8	166,913,577	48,842,890
Trade payables	9		
(A) total outstanding dues of micro enterprises and small enterprises		6,289,804	17,209,552
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		71,732,041	94,896,835
Other current liabilities	10	184,995,377	227,587,042
Short-term provisions	11	11,292,859	10,468,138
<b>TOTAL</b>		<b>1,396,387,465</b>	<b>1,337,017,898</b>
<b>II. ASSETS</b>			
Non-current assets			
Property, plant & equipment		429,107,293	374,338,975
Intangible assets	12	6,701,734	3,192,341
Capital work-in-progress		-	74,101,729
Intangible assets under development		5,075,710	3,255,200
Deferred tax assets	13	46,952,694	44,603,923
Long term loans and advances	14	181,674,695	104,300,199
Other non-current assets	15	4,032,275	4,032,275
Current assets			
Current Investments	16	-	17,714,953
Inventories	17	47,753,433	47,323,626
Trade receivables	18	354,160,750	436,269,402
Cash and bank balances	19	192,208,791	201,157,908
Short-term loans and advances	20	14,574,868	24,114,339
Other current assets	21	114,145,222	2,613,028
<b>TOTAL</b>		<b>1,396,387,465</b>	<b>1,337,017,898</b>
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the financial statements.			

As per our report of even date  
For SRBC & Co. LLP  
Chartered Accountants  
ICAI FRN: 324982E/E300003

For and on Behalf of the Board of Directors of  
Veeda Clinical Research Private Limited  
(CIN : U73100GJ2004PTC044023)

per Sukrut Mehta  
Partner  
Membership No. 101974

Vivek Chhachhi  
Director  
DIN: 00496620

Ajay Tandon  
Managing Director  
DIN: 02210072

Nirmal Bhatla  
Company Secretary

Place : Ahmedabad  
Date : 07 Sep, 2020

Place : Delhi  
Date : 07 Sep, 2020

Ahmedabad  
07 Sep, 2020

Veeda Clinical Research Private Limited  
Statement of Profit & Loss for the Year ended March 31, 2020

(Amount in Rs.)

Sr. No.	Particulars	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
(I)	Revenue from operations	22	1,512,739,880	2,184,443,017
(II)	Other income	23	13,537,213	53,375,325
(III)	Total Revenue (I+ II)		1,526,277,093	2,237,818,342
(IV)	Expenses			
	Cost of material consumed	24	132,849,409	143,335,371
	Employee benefit expenses	25	542,287,625	461,838,493
	Finance costs	26	8,831,599	23,849,385
	Depreciation and amortization expenses	12	101,567,649	94,389,657
	Other expenses	27	717,178,796	756,202,663
	Total Expenses		1,502,715,078	1,479,615,569
(V)	Profit before tax (III-IV)		23,562,015	758,202,773
(VI)	Tax expense			
	(1) Current tax		15,300,000	231,000,000
	(2) Deferred tax		(2,348,772)	996,216
	Total tax expense		12,951,228	231,996,216
(VII)	Profit for the year (V-VI)		10,610,787	526,206,557
(VIII)	Earnings per equity share [Nominal value of Rs. 10 (March 31, 2019: Rs. 10)]	29		
	Basic		18.07	902.80
	Diluted		15.58	799.03
	Summary of significant accounting policies	2		
	The accompanying notes are an integral part of the financial statements.			

As per our report of even date  
For SRBC & Co. LLP  
Chartered Accountants  
ICAI FRN: 324982E/E300003

For and on Behalf of the Board of Directors of  
Veeda Clinical Research Private Limited  
(CIN : U73100GJ2004PTC044023)

per Sukrut Mehta  
Partner  
Membership No: 101974

Place : Ahmedabad  
Date : 07 Sep, 2020

Vivek Chhachhi  
Director  
DIN: 00496620

Place : Delhi  
Date : 07 Sep, 2020

Ajay Tandon  
Managing Director  
DIN: 02210072

Delhi  
07 Sep, 2020

Nirmal Bhatia  
Company Secretary

Ahmedabad  
07 Sep, 2020





**Veeda Clinical Research Private Limited**  
Cash Flow Statement for the year ended March 31, 2020

(Amount in Rs.)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>A. Cash flow from operating activities</b>		
Profit before tax	23,562,015	758,202,773
Adjustment to reconcile profit before tax to net cash flows		
Depreciation	101,567,649	94,389,657
Finance cost	8,831,599	23,849,385
Interest Income	(4,659,574)	(5,233,993)
Gain on sale of mutual fund (net)	(1,039,549)	(6,235,061)
Gain on sale of non-current investment	-	(906,126)
(Profit) / Loss on sale of property, plant and equipment	37,807	(2,723)
Credit balance written back	(7,576,470)	(35,526,035)
Discount	5,750,159	7,591,845
Unrealized foreign exchange loss/(gain)	(983,512)	4,501,592
Operating profit before working capital changes	125,490,124	840,631,314
Movements in working capital :		
(Increase) / Decrease in trade receivables	86,796,779	(74,721,718)
(Increase) / Decrease in inventories	(429,807)	2,462,416
(Increase) / Decrease in long term loans and advances	(1,245,487)	147,064,626
(Increase) / Decrease in short term loans and advances	9,539,471	(12,429,819)
(Increase) / Decrease in current assets	(111,818,209)	4,371,967
Increase in non-current assets	-	182,299
Increase in other non-current liabilities and long-term provisions	6,539,579	12,194,535
Increase / (Decrease) in other current liabilities, short term provisions and trade payables	(12,050,018)	62,820,929
<b>Cash generated from operation</b>	<b>102,822,432</b>	<b>982,576,549</b>
Direct taxes paid	(91,429,008)	(230,286,765)
<b>Net cash flow generated from operating activities (A)</b>	<b>11,393,424</b>	<b>752,289,784</b>
<b>B. Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(90,520,756)	(101,154,396)
Proceeds from sale of property, plant and equipment	88,400	4,100
Interest received	4,945,588	4,388,057
Investment in fixed deposits (net)	(23,486,755)	(9,518,095)
Proceeds from sale of / (Investment in) mutual funds (net)	18,754,502	17,607,129
Proceeds from sale of non-current investment	-	2,335,759
<b>Net cash flow (used in) investing activities (B)</b>	<b>(90,219,021)</b>	<b>(86,337,446)</b>
<b>C. Cash flow from financing activities</b>		
Repayment of long-term borrowing	(54,912,156)	(100,369,894)
Finance cost paid	(9,007,079)	(24,287,761)
Proceeds from short-term borrowing	110,308,959	50,000,000
Buy back of preference share capital (Including tax of buy back)	-	(168,400,000)
Dividend paid on preference share capital (Including DDT)	-	(312,661,742)
<b>Net Cash flow generated from/(used) in financing activities (C)</b>	<b>46,389,724</b>	<b>(555,719,397)</b>
<b>Net Increase in cash and cash equivalents (A + B + C)</b>	<b>(32,435,873)</b>	<b>110,232,941</b>
Cash and cash equivalents at the beginning of the year	176,557,908	66,324,967
Cash and cash equivalents at the end of the year	144,122,035	176,557,908
<b>Components of cash and cash equivalent</b>		
Cash on hand	1,053,861	2,927,759
Balance with banks:		
-On Current Accounts and Cash Credit Accounts	143,068,174	108,630,149
-Deposits with original maturity of less than three months	-	65,000,000
<b>Total cash and cash equivalent (refer note 19)</b>	<b>144,122,035</b>	<b>176,557,908</b>
The accompanying notes are an integral part of the financial statements.		
Note: The above Statement of Cash flow has been prepared under the 'Indirect Method' as set out in AS 3 on Statement of Cash Flows notified under section 133 of the Companies Act, 2013.		

As per our report of even date  
For SRBC & Co. LLP  
Chartered Accountants  
ICAI FRN: 324982E/E300003

per Sukrut Mehta  
Partner  
Membership No. 101974

Place : Ahmedabad  
Date : 07 Sep, 2020

For and on Behalf of the Board of Directors of  
Veeda Clinical Research Private Limited  
(CIN : U73100GJ2004PTC044023)

Vivek Chhachhi  
Director  
DIN: 00496620

Ajay Tandon  
Managing Director  
DIN: 02210072

Place : Delhi  
Date : 07 Sep, 2020

Nirmal Bhatia  
Company Secretary

Ahmedabad  
07 Sep, 2020



**Veeda Clinical Research Private Limited**

**Notes to Financial Statements for the year ended March 31, 2020**

**1. Corporate Information**

Veeda Clinical Research Private Limited is a Private Limited Company domiciled in India with its registered office in Ahmedabad, Gujarat, India. The Company was incorporated on April 23, 2004 and is carrying on the business of Clinical Research for various Pharmaceuticals Companies. The Company is a one roof service global CRO specializing in the early clinical development of drugs with state-of-the-art facilities in India. The Company provides a full range of services in phase I and II clinical research with Clinical Data management, delivering expert and cost effective research solutions to the Pharmaceutical and Biotechnology Industries worldwide.

**2. Summary of significant accounting policies**

The significant accounting policies applied by the Company in the preparation of its financial statements are listed below.

**i. Basis of Accounting**

The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013 read together with the Companies (Accounting Standards) Amendment Rules, 2006 (as amended from time to time). The financial statements have been prepared on an accrual basis and under the historical cost convention.

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

**ii. Use of estimates**

The preparation of financial statements in conformity with Indian GAAP requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

**iii. Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:





**Veeda Clinical Research Private Limited**

**Notes to Financial Statements for the year ended March 31, 2020**

- a. **Income from services**  
Revenues from contracts are recognized pro-rata over the period of the contract as and when services are rendered. The company collects goods and service tax / service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the company. Hence, it is excluded from revenue.
- b. **Interest Income**  
Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.
- c. **Export incentive income**  
Income from export incentive is recognised on accrual basis i.e. Income is recognised in the year to which it pertains.

**iv. Inventories**

Consumables are valued at lower of cost and net realizable value. Cost of consumables is determined on an FIFO basis.

**v. Property, plant and equipment**

Property, plant and equipment, capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price. Such cost includes the cost of replacing part of the plant and equipment. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in statement of profit or loss as incurred.

Items of stores and spares that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life. Otherwise, such items are classified as inventories.

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

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



**Veeda Clinical Research Private Limited**

**Notes to Financial Statements for the year ended March 31, 2020**

Property, plant and equipment held for sale is valued at lower of their carrying amount and net realizable value. Any write-down is recognized in the statement of profit and loss.

**Depreciation on property, plant and equipment**

Leasehold improvements are amortized on a straight line basis over the period of lease.

Depreciation is provided on the written down value method over the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

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

**vi. Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

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

**Amortization of intangible assets**

Intangible assets are amortized on a straight-line basis over the period of 3 years.

**vii. Impairment of property, plant and equipment and intangible assets**

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss.



**Veeda Clinical Research Private Limited**

**Notes to Financial Statements for the year ended March 31, 2020**

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss.

**viii. Investments**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

**ix. Income tax**

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.



**Veeda Clinical Research Private Limited**

**Notes to Financial Statements for the year ended March 31, 2020**

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available

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

**x. Foreign currency translation**

**Foreign currency transactions and balances**

**a. Initial Recognition:**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

**b. Conversion:**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date.

**c. Exchange Differences:**

All exchange differences arising are recognized as income or as expenses in the period in which they arise.





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**Notes to Financial Statements for the year ended March 31, 2020**

**xi. Derivative instruments**

The company has various foreign currency transactions and is exposed to foreign currency risk. The company's senior management oversees the management of these risks. It is the company's policy that no trading in derivatives for speculative purposes to be undertaken. The company has entered into foreign exchange forward contracts with the intention to reduce the foreign exchange risk of expected receivables & payables.

Derivative contracts, other than foreign currency forward contracts covered under AS 11 "the effects of changes in foreign exchange rates", are marked to market on a portfolio basis, and the net loss, if any, after considering the offsetting effect of gain on the underlying hedged item, is charged to the Statement of Profit and loss.

**xii. Retirement and other employee benefits**

**a. Gratuity**

All the employees are covered under Employee Gratuity Scheme which is a defined benefit plan and is determined on the basis of actuarial valuation at each year-end.

Separate actuarial valuation is carried out for each plan using the projected unit credit method. Actuarial gains and losses for defined benefit plans are recognized in full in the period in which they occur in the statement of profit and loss.

**b. Provident fund**

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

**c. Leave Entitlements**

Leave entitlement benefit is recognized as an expense at the undiscounted amount in the statement of Profit and Loss for the financial year in which the related service is rendered. However, said expense is recognized for the period January to March each year based on last drawn salary. There is no carry forward of privilege leave and casual leave on calendar year basis.

**d. Sick leave**

The Company provides for sick leave covering eligible employees on the basis of actuarial valuation carried out by an independent valuer at the year-end. Actuarial gains and losses in respect of defined benefits are charged to the statement of profit & loss.

The Company accrues Sick leave at the rate of seven days per annum on calendar year basis and maximum of accumulation is restricted to Thirty days. This benefit is available only in the event of employee falling sick during the tenure of his service. No





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credit is allowed in respect of accumulated sick leave in the event of cessation of service due to any cause.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

**xiii. Provisions, contingent liability and contingent asset:**

**Provisions**

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

**Contingent liability**

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

**Contingent asset**

Contingent asset are neither recognized nor disclosed in the financial statement.



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**Notes to Financial Statements for the year ended March 31, 2020**

**xiv. Cash and cash equivalent**

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

**xv. Borrowing Costs**

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

**xvi. Operating lease**

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

**xvii. Earnings Per Share**

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

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

**xviii. Segment Reporting**

The company is providing services of testing and contract research in the fields of clinical and analytical testing. Since the inherent nature of all these services are inter related and governed by the same set of risks and returns and operating in the same economic environment, the Company falls within a single business segment of clinical research services. The analysis of geographical segments is based on the geographical location of the customer.



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**Notes to Financial Statements for the year ended March 31, 2020**

**xix. Employee stock compensation cost**

Employees (including senior executives) of the company are entitled to receive performance based incentives in the form of share based payment transactions.

In accordance with the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the intrinsic value method. The cumulative expense recognized for equity-settled transactions is the changed in the intrinsic value from vesting date till the date of each reporting year. The expense or credit recognized in the statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total intrinsic value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.



## 3 Share Capital

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number	Amount in Rs.	Number	Amount in Rs.
Authorised Share Capital				
a. Equity Shares of Rs. 10 each	600,000	6,000,000	600,000	6,000,000
b. 0.0001% Cumulative Compulsory Convertible Participatory Preference Share of Class 'A' Rs. 10 each	35,640,680	356,406,800	35,640,680	356,406,800
<b>Total</b>	<b>36,240,680</b>	<b>362,406,800</b>	<b>36,240,680</b>	<b>362,406,800</b>

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number	Amount in Rs.	Number	Amount in Rs.
Issued, Subscribed & Paid Up Share Capital				
a. Equity Shares of Rs. 10 each	587,163	5,871,630	587,163	5,871,630
b. 0.0001% Cumulative Compulsory Convertible Participatory Preference Share of Class 'A' Rs. 10 each	35,229,780	352,297,800	35,229,780	352,297,800
<b>Total</b>	<b>35,816,943</b>	<b>358,169,430</b>	<b>35,816,943</b>	<b>358,169,430</b>

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year  
Equity Share Capital

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number	Amount in Rs.	Number	Amount in Rs.
Shares outstanding at the beginning of the year	587,163	5,871,630	547,775	5,477,750
Conversion of preference shares class-B into equity shares during the year	-	-	39,388	393,880
<b>Shares outstanding at the end of the year</b>	<b>587,163</b>	<b>5,871,630</b>	<b>587,163</b>	<b>5,871,630</b>

## Preference Share Capital - Compulsorily Convertible (CCPS) Class "A"

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number	Amount in Rs.	Number	Amount in Rs.
Shares outstanding at the beginning of the year	35,229,780	352,297,800	-	-
Shares Issued during the year - Bonus issue	-	-	35,229,780	352,297,800
<b>Shares outstanding at the end of the year</b>	<b>35,229,780</b>	<b>352,297,800</b>	<b>35,229,780</b>	<b>352,297,800</b>

## (b) Terms / rights attached to equity shares.

In respect of Ordinary shares (whether fully paid or partly paid), voting rights shall be in the same proportion as the capital paid upon such ordinary share bears to the total paid up ordinary capital of the company.

The Dividend proposed by the board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation, the shareholders of Ordinary shares are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings.



**Veeda Clinical Research Private Limited**

**Notes to Financial Statements for the year ended March 31, 2020**

**( c ) Terms of conversion / redemption of CCPS - Class A.**

- i. The CCPS A shall be entitled to 0.0001% participatory and cumulative dividend.
- ii. The CCPS A shall not be entitled to any voting rights.
- iii. The conversion of CCPS A in to equity shares shall be subject to the approval of the Board of Directors of the Company. The maximum number of equity shares into which the CCPS A can get converted is 93,946 equity shares.
- iv. The rights of preference shareholders shall be governed in accordance with the provisions of the Companies Act, 2013, including any statutory modification(s) and re-enactment(s), thereof, and the Memorandum and Articles of Association of the Company, as may be amended from time to time.
- v. The conversion of CCPS A in to equity shares shall be subject to all rules, regulations prevailing / applicable at the time of such conversion and shall be subject to approvals / conditions of Central Government of India, Reserve Bank of India and such other statutory authority as may be applicable and prevailing at the time of conversion.

**( d ) Shares held by holding company**

Name of Shareholder	As at March 31, 2020		As at March 31, 2019	
	Number	Amount in Rs.	Number	Amount in Rs.
Basil Private Limited				
a. Equity Shares of Rs. 10 each	406,194	4,061,940	406,194	4,061,940

- ( e ) 35,229,780 Class A Compulsorily Convertible Participatory Preference Shares (CCPS - Class A) of Rs. 10 each were issued as Bonus and 11,630 Class B Compulsorily Convertible Participatory Preference Shares (CCPS - Class B) were bought back by the company in the FY 2018-19.

**( f ) Details of Shareholders holding more than 5% shares in the company**

**Equity Share Capital**

Name of Shareholder	As at March 31, 2020		As at March 31, 2019	
	Number	% of Holding	Number	% of Holding
Bondway Investment Inc.	159,708	27.20	159,708	27.20
Basil Private Limited	406,194	69.18	406,194	69.18

**Preference Share Capital Class - "A"**

Name of Shareholder	As at March 31, 2020		As at March 31, 2019	
	Number	% of Holding	Number	% of Holding
Bondway Investment Inc.	22,175,640	62.95	22,175,640	62.95
Arabelle Financial Services Ltd.	13,048,140	37.04	13,048,140	37.04





**Veeda Clinical Research Private Limited**  
**Notes to Financial Statements for the year ended March 31, 2020**

**4 Reserves and surplus**

(Amount in Rs.)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>a. Securities premium account</b>		
Opening Balance	120,087,784	641,179,464
Less: Amount utilized towards buy-back of Preference shares class-B	-	129,555,800
Less: Amount transferred to capital redemption reserve upon buy-back of preference shares class-B	-	38,844,200
Less: Amount transferred to capital redemption reserve upon conversion of preference shares class-B	-	131,555,920
Add : Amount transferred on conversion of preference shares class-B	-	131,162,040
Less: utilized for issue of bonus shares	-	352,297,800
Add: Amount transferred back from Capital Redemption Reserve	131,555,920	-
<b>Closing balance</b>	<b>251,643,704</b>	<b>120,087,784</b>
<b>b. Capital redemption reserve</b>		
Opening balance	170,400,120	-
Add: Amount transferred to capital redemption reserve upon buy-back of preference shares class-B	-	38,844,200
Add: Amount transferred to capital redemption reserve upon conversion of preference shares class-B	-	131,555,920
Less: Amount transferred to securities premium (Refer below note)	131,555,920	-
<b>Closing balance</b>	<b>38,844,200</b>	<b>170,400,120</b>
<b>c. Surplus/(deficit) in the statement of profit &amp; loss</b>		
Opening balance	246,445,390	32,900,575
Add: Profit for the year	10,610,787	526,206,557
Less: Dividend paid to preference share holders	-	259,351,316
Less: Tax paid on distribution of dividend to preference share holders	-	53,310,426
<b>Closing balance</b>	<b>257,056,177</b>	<b>246,445,390</b>
<b>Total reserves and surplus</b>	<b>547,544,081</b>	<b>536,933,294</b>

Note:

The same pertains to Capital redemption reserve (CRR) on conversion of Cumulative Compulsorily Convertible Preference Shares, transferred back to Securities premium.



## 5 Long-term borrowings

(Amount in Rs.)

Particulars	As at March 31, 2020		As at March 31, 2019	
	Non-current	Current maturity (Refer note no. 10)	Non-current	Current maturity (Refer note no. 10)
Term Loans				
From financial institutions (secured) Refer note 1 and 2 below	-	-	-	54,912,156
<b>Total</b>	-	-	-	<b>54,912,156</b>

Details of terms and securities for the above Rupee Loan facilities are as follows:

1) The outstanding balance from GE Capital Service India ('GECSI') term loan as of 31 March 2020 is Nil (31 March 2019: Rs. 10,838,125). The borrowing carries interest @ 295 basis points above the effective State Bank of India based rate (Benchmark rate) payable on monthly rest. The effective interest rate is 11.90% (31 March 2019: 12.00%). The Term Loan was repayable in structured monthly instalment and repayment started from 26 April 2015. The Rupee Term Loan facilities were secured against the first and exclusive charge on the equipment financed by GECSI and against the personal guarantee of Mr. Binoy Gardi and Mr. Apurva Shah. The loan has been repaid during the year. There is no default in repayment of this loan.

2) The outstanding balance from Tata Capital Financial Services Limited ('TATA') term loan as of 31 March 2020 is Nil (31 March 2019: Rs. 44,074,031). The borrowing carries interest @ long term lending rate less 5.25% payable on monthly rest. The effective interest rate is 13.00% (31 March 2019: 12.25% to 13.25%). The Term Loan was repayable in structured monthly instalment and repayment started from 25 January 2017. The Rupee Term Loan facilities were secured against the first and exclusive charge on the equipment financed by TATA and against the personal guarantee of Mr. Binoy Gardi and Mr. Apurva Shah. The loan has been repaid during the year. There is no default in repayment of this loan.



**Veeda Clinical Research Private Limited**  
**Notes to Financial Statements for the year ended March 31, 2020**

**6 Other long-term liabilities**

(Amount in Rs.)

Particulars	As at March 31, 2020	As at March 31, 2019
Lease equalisation	24,126,347	21,613,271
Security deposits	500,000	500,000
<b>Total</b>	<b>24,626,347</b>	<b>22,113,271</b>

**7 Long-term provisions**

(Amount in Rs.)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for gratuity (Refer to Note No. 25.1 & Note No. 25.2)	22,658,577	18,689,208
Provision for leave benefits	2,165,372	2,108,238
<b>Total</b>	<b>24,823,949</b>	<b>20,797,446</b>

**8 Short term borrowings**

(Amount in Rs.)

Particulars	As at March 31, 2020	As at March 31, 2019
Loans repayable on demand - secured		
Foreign currency demand loan (FCDL) from Bank	166,913,577	48,842,890
<b>Total</b>	<b>166,913,577</b>	<b>48,842,890</b>

The Company has obtained Foreign Currency Demand Loan ('FCDL') which is part of sanctioned credit facility of Rs. 200,000,000 from Axis Bank for working capital requirement of the Company. Outstanding balance of FCDL is Rs. 166,913,577 (31 March 2019: Rs. 48,842,890). The borrowing carries interest of 6 months libor + 2.50 bps payable on monthly rest. The effective interest rate is 3.558% to 5.185% (31 March 2019: 5.185%). The FCDL is repayable on demand.

The FCDL is secured:

- by way of hypothecation on entire current assets of the Company including stock and receivables, both present and future.
- by way of equitable mortgage / hypothecation of immovable / moveable fixed asset (plant and machinery / equipment etc.) other than those financed by other banks / financial institution.
- against TDR in the name of Company having value of Rs. 40,100,000.
- there is no default in repayment of this loan.



**Veeda Clinical Research Private Limited**  
**Notes to Financial Statements for the year ended March 31, 2020**

**9 Trade payable**

(Amount in Rs.)

Particulars	As at March 31, 2020	As at March 31, 2019
Total outstanding dues of micro enterprises and small enterprises (Refer to Note No. 34)	6,289,804	17,209,552
Total outstanding dues of creditors other than micro enterprises and small enterprises	71,732,041	94,896,835
<b>Total</b>	<b>78,021,845</b>	<b>112,106,387</b>

**10 Other current liabilities**

(Amount in Rs.)

Particulars	As at March 31, 2020	As at March 31, 2019
Current maturity of long-term borrowing (Refer to note No. 5)	-	54,912,156
Statutory dues payable	1,391,003	14,129,601
Advance from customers	76,251,618	71,867,320
Creditors for capital goods	2,751,273	5,707,887
Current portion of lease equalisation (Refer to note No. 6)	4,312,894	568,933
Provisions for expenses	9,407,815	9,528,502
Provisions for employee benefit expense	55,296,048	51,008,440
Interest accrued but not due on borrowings	-	175,481
Payable to customer	20,072,627	18,417,897
Forward contract payable	15,215,108	-
Others	296,991	1,270,825
<b>Total</b>	<b>184,995,377</b>	<b>227,587,042</b>

**11 Short term provisions**

(Amount in Rs.)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for gratuity (Refer to note No. 25.1 & Note No. 25.2)	4,941,535	4,365,967
Provision for leave benefits	6,351,324	6,102,171
<b>Total</b>	<b>11,292,859</b>	<b>10,468,138</b>





12 Property, plant & equipment  
FY 2019-20

Particulars	GROSS BLOCK (at cost)				DEPRECIATION			(Amount in Rs.)	
	Opening balance as at April 01, 2019	Addition	Deduction	Closing balance as at March 31, 2020	Opening balance as at April 01, 2019	For The Year	Deduction	Closing balance as at March 31, 2020	NET BLOCK As at March 31, 2019
<b>TANGIBLE ASSETS</b>									
Leasehold improvements	91,043,340	50,964,644	-	142,007,984	56,545,887	10,168,350	-	66,714,237	75,293,747
Plant & machinery	873,824,885	51,939,186	-	925,764,071	561,516,798	66,213,499	-	627,730,297	298,033,774
Office equipment	16,804,352	9,206,513	369,784	25,641,081	13,967,857	4,029,180	246,925	17,750,112	7,890,969
Computers	46,789,355	15,425,847	-	62,215,202	38,671,381	8,969,408	-	47,640,789	14,574,413
Furniture & fixtures	63,961,407	24,682,141	-	88,643,548	50,213,209	7,262,775	-	57,475,984	31,167,564
Vehicles	10,675,648	131,636	46,325	10,760,959	7,844,880	812,230	43,977	8,614,133	2,146,826
<b>Total (A)</b>	<b>1,103,098,987</b>	<b>152,349,967</b>	<b>416,109</b>	<b>1,235,032,845</b>	<b>738,760,012</b>	<b>97,455,443</b>	<b>289,902</b>	<b>825,925,553</b>	<b>429,107,293</b>
<b>INTANGIBLE ASSETS</b>									
Computer software	16,016,563	7,621,600	-	23,638,163	12,824,222	4,112,207	-	16,936,429	6,701,734
<b>Total (B)</b>	<b>16,016,563</b>	<b>7,621,600</b>	<b>-</b>	<b>23,638,163</b>	<b>12,824,222</b>	<b>4,112,207</b>	<b>-</b>	<b>16,936,429</b>	<b>3,192,341</b>
<b>TOTAL (A)+(B)</b>	<b>1,119,115,550</b>	<b>159,971,567</b>	<b>416,109</b>	<b>1,258,671,008</b>	<b>751,584,234</b>	<b>101,567,649</b>	<b>289,902</b>	<b>842,861,982</b>	<b>435,809,027</b>
Previous year	1,086,458,703	91,164,118	1,529,684	1,119,115,550	647,120,750	94,389,657	-	741,584,234	377,531,315
Capital work in progress	74,101,729	49,770,271	123,872,000	-	-	-	-	-	-
Intangible assets under development	3,255,200	1,820,510	-	5,075,710	-	-	-	-	-
									3,255,200

FY 2018-19

Particulars	GROSS BLOCK (at cost)				DEPRECIATION			(Amount in Rs.)	
	Opening balance as at April 01, 2018	Addition	Deduction	Closing balance as at March 31, 2019	Opening balance as at April 01, 2018	For The Year	Deduction	Closing balance as at March 31, 2019	NET BLOCK As at March 31, 2018
<b>TANGIBLE ASSETS</b>									
Leasehold improvements	88,594,547	2,448,793	-	91,043,340	48,126,947	8,418,940	-	56,545,887	34,497,453
Plant & machinery	857,806,543	16,018,342	-	873,824,885	489,219,804	72,296,994	-	561,516,798	312,308,087
Office equipment	14,963,975	1,840,377	-	16,804,352	12,403,625	1,564,232	-	13,967,857	2,836,495
Computers	40,419,270	6,397,635	27,550	46,789,355	34,140,810	4,556,744	26,173	38,671,381	8,117,974
Furniture & fixtures	60,741,191	3,220,216	-	63,961,407	45,614,262	4,598,947	-	50,213,209	6,278,459
Vehicles	9,477,854	1,197,794	-	10,675,648	7,173,779	671,101	-	7,844,880	15,126,929
<b>Total (A)</b>	<b>1,072,003,380</b>	<b>31,123,157</b>	<b>27,550</b>	<b>1,103,098,987</b>	<b>636,679,227</b>	<b>92,106,957</b>	<b>26,173</b>	<b>728,760,012</b>	<b>2,304,074</b>
<b>INTANGIBLE ASSETS</b>									
Computer software	14,455,322	1,561,241	-	16,016,563	10,541,522	2,282,700	-	12,824,222	3,192,341
<b>Total (B)</b>	<b>14,455,322</b>	<b>1,561,241</b>	<b>-</b>	<b>16,016,563</b>	<b>10,541,522</b>	<b>2,282,700</b>	<b>-</b>	<b>12,824,222</b>	<b>3,192,341</b>
<b>TOTAL (A)+(B)</b>	<b>1,086,458,702</b>	<b>32,684,398</b>	<b>27,550</b>	<b>1,119,115,550</b>	<b>647,220,749</b>	<b>94,389,657</b>	<b>26,173</b>	<b>741,584,234</b>	<b>439,237,952</b>
Previous year	996,824,269	91,164,118	1,529,684	1,086,458,703	542,533,237	105,818,970	1,131,457	647,220,750	439,237,953
Capital work in progress	3,867,658	79,167,060	8,932,989	74,101,729	-	-	-	-	74,101,729
Intangible assets under development	2,040,125	1,215,075	-	3,255,200	-	-	-	-	3,255,200
									2,040,125





Veeda Clinical Research Private Limited  
Notes to Financial Statements for the year ended March 31, 2020

13 Deferred tax assets

(Amount in Rs.)

Particulars	As at March 31, 2020	As at March 31, 2019
Difference between depreciable assets as per books of accounts and written down value for tax purpose	24,494,849	25,820,381
Employee benefits / expenses allowable on payment basis	16,247,466	15,563,996
Effect of adjustment under ICDS	-	212,404
Effect of provision for doubtful debt, diminution in value of investments	3,829,338	3,007,142
Effect of MTM loss on forward contract payable	2,381,041	-
Deferred tax assets - total	46,952,694	44,603,923

14 Long term loans and advances

(Amount in Rs.)

Particulars	As at March 31, 2020	As at March 31, 2019
Security deposits		
Unsecured, considered good	26,893,315	25,481,517
Other loans and advances		
Unsecured, considered good		
Advance income tax (Net of provision for taxation)	152,808,414	76,679,407
Cenvat credit receivable	48,319	20,963
Balance with government authorities	1,924,647	2,118,312
<b>Total</b>	<b>181,674,695</b>	<b>104,300,199</b>

15 Other non-current assets

(Amount in Rs.)

Particulars	As at March 31, 2020	As at March 31, 2019
Bank deposits with remaining maturity for more than 12 months *	4,032,275	4,032,275
<b>Total</b>	<b>4,032,275</b>	<b>4,032,275</b>

\* Bank Deposits amounting to Rs. 4,032,275 (March 31, 2019: Rs. 4,032,275) are given as security against bank guarantee.



Veeda Clinical Research Private Limited

Notes to Financial Statements for the year ended March 31, 2020

16 Current Investments

(Amount in Rs.)

Particulars	As at March 31, 2020	As at March 31, 2019
Valued at lower of cost and fair value (Non-trade)		
Investment in mutual funds		
Nil (March 31, 2019: 36,121 Units) of ICICI Prudential Banking & Financial Services Fund (Direct Growth)	-	2,250,000
Nil (March 31, 2019: 115,169 Units) of IDFC Infrastructure Fund (Direct Growth)	-	1,907,204
Nil (March 31, 2019: 19,617 Units) of UTI Pharma & Healthcare Fund (Direct Growth)	-	1,787,588
Nil (March 31, 2019: 113,422 Units) of Aditya Birla Sunlife Banking & Financial Services Fund	-	3,000,000
Nil (March 31, 2019: 75,339 Units) of ICICI Prudential Focused Bluechip Equity Fund	-	3,000,000
Nil (March 31, 2019: 66,349 Units) of IDFC Classic Equity Fund	-	3,000,000
Nil (March 31, 2019: 172,812 Units) of L & T Infrastructure Fund	-	2,770,161
<b>Total</b>	<b>-</b>	<b>17,714,953</b>

16.1 Details of quoted investments

(Amount in Rs.)

Particulars	As at March 31, 2020	As at March 31, 2019
Total amount of quoted investments	-	18,300,000
Market value of quoted investments	-	18,527,737
Total amount of unquoted investments	-	-

17 Inventories

(Amount in Rs.)

Particulars	As at March 31, 2020	As at March 31, 2019
Valued at lower of cost and net realizable value		
Consumables	47,753,433	47,323,626
<b>Total</b>	<b>47,753,433</b>	<b>47,323,626</b>



Veeda Clinical Research Private Limited  
Notes to Financial Statements for the year ended March 31, 2020

18 Trade receivables

(Amount in Rs.)

Particulars	As at March 31, 2020	As at March 31, 2019
Outstanding for a period exceeding six months from the date they are due for payment (Refer Note below)		
Unsecured, considered good	81,848,135	31,026,228
Considered doubtful	8,089,990	8,089,990
Less: Provision for Doubtful receivables	(8,089,990)	(8,089,990)
<b>Total</b>	<b>81,848,135</b>	<b>31,026,228</b>
Other receivables (Refer Note below)		
Unsecured, considered good	283,526,252	371,084,166
<b>Total</b>	<b>365,374,387</b>	<b>402,110,394</b>
Net unearned revenue	(11,213,637)	34,159,008
<b>Total</b>	<b>354,160,750</b>	<b>436,269,402</b>

Trade Receivable does not include dues from non-executive directors, dues from officers, dues from non-executive directors and officers jointly with other persons.

19 Cash and bank balances

(Amount in Rs.)

Particulars	As at March 31, 2020	As at March 31, 2019
Cash and cash equivalents		
Balances with Banks:		
-On current accounts and cash credit accounts	143,068,174	108,630,149
-Deposits with original maturity of less than three months	-	65,000,000
Cash on hand	1,053,861	2,927,759
Other bank balances		
- Deposits with remaining maturity of less than 12 months @	48,086,756	24,600,000
<b>Total</b>	<b>192,208,791</b>	<b>201,157,908</b>

@ Bank Deposits amounting to Rs. 48,086,756 (March 31, 2019: Rs. 24,600,000) are given as collateral security against cash credit limits.

20 Short term loans and advances  
(Unsecured considered good)

(Amount in Rs.)

Particulars	As at March 31, 2020	As at March 31, 2019
Security deposits	-	6,884,161
Other loans and advances		
Employee Imprest	1,399,949	756,549
Prepaid expenses	10,936,841	9,270,408
Advance to creditors	2,238,078	7,034,736
Other receivable	-	168,485
<b>Total</b>	<b>14,574,868</b>	<b>24,114,339</b>

21 Other current assets  
(Unsecured considered good)

(Amount in Rs.)

Particulars	As at March 31, 2020	As at March 31, 2019
Export incentive receivable	112,079,768	-
Interest accrued on fixed deposits	1,614,243	2,048,550
Interest accrued but not due on security deposits	451,211	302,919
Others	-	261,559
<b>Total</b>	<b>114,145,222</b>	<b>2,613,028</b>



**Veeda Clinical Research Private Limited**

**Notes to Financial Statements for the year ended March 31, 2020**

**22 Revenue from operations**

(Amount in Rs.)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Revenue from operations</b>		
Sale of services	1,400,660,112	2,098,233,172
<b>Other operating income</b>		
Export incentives income	112,079,768	86,209,845
<b>Total</b>	<b>1,512,739,880</b>	<b>2,184,443,017</b>

**23 Other income**

(Amount in Rs.)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Interest income on</b>		
-Bank deposits	3,466,144	2,462,399
-Others	1,193,429	2,771,594
Gain (net of loss) on sale of asset	-	2,723
Net gain on foreign currency transactions	-	5,099,319
Gain on sale of mutual funds	454,502	6,607,129
Gain on sale of long term investments	-	906,126
Credit balances written back	7,576,470	35,526,035
Discount Income	261,621	-
Net effect to the carrying amount of investment in mutual fund units	585,047	-
<b>Total</b>	<b>13,537,213</b>	<b>53,375,325</b>





**Veeda Clinical Research Private Limited**  
**Notes to Financial Statements for the year ended March 31, 2020**

**24 Cost of material consumed**

(Amount in Rs.)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening stock of consumables	47,323,626	49,786,042
Purchase	133,279,216	140,872,955
Less : Closing stock of consumables	(47,753,433)	(47,323,626)
<b>Total</b>	<b>132,849,409</b>	<b>143,335,371</b>

**25 Employee benefit expenses**

(Amount in Rs.)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salary, bonus and allowances	513,502,268	436,135,443
Contributions to provident and other funds	20,892,717	20,621,021
Staff welfare expenses	7,892,640	5,082,029
<b>Total</b>	<b>542,287,625</b>	<b>461,838,493</b>

**25.1 A. Defined contribution plans : Provident fund and employee state insurance**

The company makes contribution towards employees' provident fund and employees' state insurance plan scheme. Under the rules of these schemes, the Company is required to contribute a specified percentage of payroll costs. During the year, company recognized Rs. 14,865,535 (31st March, 2019: Rs. 14,570,302) as expense towards contributions to these plans.

**B. Defined benefit plans - Gratuity**

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement / termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a non funded plan.

**25.2 Actuarial assumptions (gratuity)**

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Discount rate	6.50%	7.20%
Expected rate of return on plan assets	6.50%	7.20%
Salary escalation rate	Nil for next 1 year & 7.00% p.a thereafter	12.00% p.a for next 2 years & 7.00% p.a thereafter
Mortality rate	Indian Assured Lives Mortality (2006-08) Table	Indian Assured Lives Mortality (2006-08) Table



**Veeda Clinical Research Private Limited**

**Notes to Financial Statements for the year ended March 31, 2020**

**25.3 Actuarial assumptions (gratuity)**

(Amount in Rs.)

	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(i)	<b>Change in present value of obligation</b>		
	Present value of obligation at the beginning of the year	23,121,621	17,943,076
	Interest cost	1,567,407	1,225,240
	Current service cost	4,365,967	3,595,226
	Benefit paid	(1,455,929)	(806,490)
	Actuarial (gain)/loss in obligations	(1,038,632)	1,164,569
	Past service cost	1,106,706	-
	<b>Present value of obligation at year end</b>	<b>27,667,140</b>	<b>23,121,621</b>
(ii)	<b>Change in the fair value of plan assets</b>		
	Fair value of planned assets at the beginning of the year	66,447	62,393
	Expected return on the plan assets	64,609	43,134
	Contributions by the employer	-	-
	Benefits paid	-	-
	Adjustment to opening	-	-
	Actuarial (gain)/loss on plan assets	(64,027)	(39,080)
	<b>Fair value of planned assets at year end</b>	<b>67,029</b>	<b>66,447</b>
(iii)	<b>Percentage of each category of plan assets to total fair value of plan assets as at March 31, 2020 and March 31, 2019 respectively.</b>		
	Administered by Max New York Life Insurance Company Ltd.	Nil	Nil
(iv)	<b>Expenses recognized in statement of profit &amp; loss</b>		
	Current service cost	4,365,967	3,595,226
	Interest on obligation	1,567,407	1,225,240
	Expected returns on plan assets	(64,609)	(43,134)
	Net actuarial (gain)/loss recognized during the year	(974,605)	1,203,649
	Recognized past service cost vested	1,106,706	45,096
	<b>Total expenses recognized in Statement of Profit &amp; Loss.</b>	<b>6,000,866</b>	<b>6,026,077</b>
(v)	<b>Reconciliation of present Value of the obligation and the Fair value of the plan Assets</b>		
	Present value of the obligation at year end	27,667,140	23,121,621
	Fair value of plan assets at year end	(67,029)	(66,447)
	Unrecognized past service cost	-	-
	<b>Net Liability recognized in the balance sheet</b>	<b>27,600,111</b>	<b>23,055,174</b>



Veeda Clinical Research Private Limited  
Notes to Financial Statements for the year ended March 31, 2020

Sr. No.	Particulars	Gratuity			
		For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017
(i)	Present value of obligation at year end	27,667,140	23,121,621	17,943,076	14,404,079
(ii)	Fair value of planned assets at year end	(67,029)	66,447	62,393	59,642
(iii)	Surplus (deficit) in the plan	(27,734,169)	(23,055,174)	(17,880,683)	(14,344,437)
(iv)	Experience adjustments on plan liabilities	(625,452)	889,922	(395,644)	1,615,085
(v)	Actuarial loss/(gain) due to change in assumptions	(412,030)	200,913	(511,271)	2,471,163
(vi)	Actuarial loss/(gain) due to change in demographic assumptions	(1,150)	73,734	-	-
(vii)	Experience adjustments on plan assets	64,027	39,080	41,115	(14,818)
	Net actuarial loss/(gain) for the year	(974,605)	1,203,649	(865,800)	4,071,430
					62,009
					799,609



**Veeda Clinical Research Private Limited**  
**Notes to Financial Statements for the year ended March 31, 2020**

**26 Finance costs**

(Amount in Rs.)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest expense on		
-Borrowings	3,493,007	16,310,324
-Delayed payment of income tax & TDS	520,235	4,414,510
-Others	108,477	455,723
Bank charges and other borrowing cost	4,709,880	2,668,828
<b>Total</b>	<b>8,831,599</b>	<b>23,849,385</b>

**27 Other expenses**

(Amount in Rs.)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Clinical analytical research expenses	245,868,461	343,834,205
Marketing & business promotion expenses	23,938,718	28,262,169
Rent	88,150,371	63,368,685
Water & power charges	59,425,517	57,275,797
Legal & professional charges	64,402,039	31,657,648
House keeping & security expenses	75,466,707	65,893,335
Professional charges of phlebotomists, nurses & doctors	19,551,437	20,814,717
Bio analytical research expenses	20,240,756	17,863,558
Insurance expenses	7,843,551	6,409,599
Conveyance & petrol expenses	2,258,627	1,896,240
Telephone expenses	3,240,596	3,278,290
Repairs & maintenance		
-Buildings	3,571,202	3,487,780
-Plant & machinery & others	52,390,095	48,988,790
Rates & taxes	12,387,875	11,813,602
Payments to the auditor (Refer note below)	1,278,798	1,250,000
Expenditure towards CSR activities	1,500,000	2,184,000
Net effect to the carrying amount of investment in mutual fund units	-	372,067
Miscellaneous expenses	30,991,504	47,552,181
Net loss on foreign currency transactions	4,672,542	-
<b>Total</b>	<b>717,178,796</b>	<b>756,202,663</b>

**27.1 Payments to the auditor (Excluding tax and out of pocket expenses)**

(Amount in Rs.)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Audit fees	1,278,798	1,250,000
<b>Total</b>	<b>1,278,798</b>	<b>1,250,000</b>





**Veeda Clinical Research Private Limited**

**Notes to Financial Statements for the year ended March 31, 2020**

**28. Contingent Liabilities & Capital Commitments not provided for**

(Amount in Rupees)		
Particulars	March 31, 2020	March 31, 2019
Claims against the company not acknowledged as debts:		
Income tax *	107,912,628	107,454,297
Service tax **	160,434,771	161,502,063
Customs #	4,751,609	4,751,609

\*Income tax demand comprise demand from the Indian tax authorities for payment of additional tax of Rs. 107,912,628 (March 31, 2019: Rs 107,454,297), upon completion of their tax review for the assessment year 2007-08 to 2014-15. The tax demands are mainly on account of disallowances relating to transfer pricing matters, expenditure to earn exempt income, depreciation on software, interest charged on loan advanced, capital expenditure charged to revenue, etc. claimed by the company under the Income tax Act. The matter is pending before various authorities. The said demand amounts have been already adjusted against refund of various years by Income Tax department and hence net demand is Nil in respect of such period.

\*\*Service tax demand comprise demand from the Service tax authorities for payment of additional tax of Rs. 160,434,771 (March 31, 2019: Rs 161,502,063), upon completion of their tax review for the financial year 2008-09 to 2015-16. The tax demands are on account denial of export of service under Rule 4 of place of provision of Services Rules, 2012, reversal of CENVAT credit under Rule 6(3) and 6(5), disallowance of input tax credit etc. The matter is pending before various authorities.

Above amount excludes Rs.145,865,088 for the period April 2016 to June 2017 in respect of matters where the company has received favourable orders from the first Appellate authorities and has received refund. However, the department is pursuing appeal with higher Appellate authority. The actual outflow would depend on the final outcome of the matter.

#Custom duty demand comprise demand from CBEC for payment of additional tax of Rs. 4,751,609 (March 31, 2019: Rs 4,751,609), upon completion of their tax review for the financial year 2011-12 to 2017-18. The demand is on account denial of custom duty exemption benefit claimed under the Notification 12/2012 dated 17 March 2012.

The company is contesting the demands and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the company's financial position and results of operations.

**Other claims not acknowledged as debt**

Claim by a party arising out of a commercial contract: Rs. 101.89 crore (March 31, 2019: Rs. 101.89 crore). The company has not acknowledged this claim. As advised by the external legal counsel, the claim is not legally tenable. Moreover, the company is adequately insured and the matter is intimated to Insurance Company as well. The company has filed detailed response to the claim lodged. The matter is pending at Commercial Court, Ahmedabad. In view of these the company does not foresee any losses on this count and accordingly no provision is made in books of accounts.



**Veeda Clinical Research Private Limited**

**Notes to Financial Statements for the year ended March 31, 2020**

**Undeclared accrued Preference share dividend**

Undeclared accrued preference share dividend on cumulative compulsorily convertible participatory preference shares (Class A preference shares) is Rs. 504 as at March 31, 2020. (March 31, 2019: Rs. 151).

**Capital commitments**

At March 31, 2020, the company has commitments of Rs. 60.47 Lakhs (March 31, 2019: Rs. 280.58 Lakhs) relating to contracts with suppliers and contractors for the acquisition of plant and machinery, equipment and various civil contracts of capital nature, net of advances.

29. The following reflect the profit and share data used in the basic and diluted EPS computation

(Amount in Rupees)			
Particulars		Year ended on March 31, 2020	Year ended on March 31, 2019
Profit After Tax for the year		10,610,787	526,206,556
Less: Preference dividend for the year (Including DDT: For March 31, 2020 Rs. Nil and March 31, 2019 Rs. 2,809,807)		353	16,479,315
Profit attributable to Equity Shareholders	A	10,610,434	509,727,241
Total number of equity shares at the end of the year	B	587,163	587,163
Nominal value of Equity Shares (Rs.)		10	10
Weighted average number of equity shares			
For basic EPS		587,163	564,609
For diluted EPS		681,109	658,555
Basic earnings per share		18.07	902.80
Diluted earnings per share		15.58	799.03
Weighted average number of equity shares for basic EPS		587,163	564,609
Effect of dilution: Issue of Pref. shares class-A as Bonus		93,946	93,946
Weighted average number of equity shares adjusted for the effect of dilution		681,109	658,555



**Veeda Clinical Research Private Limited**

**Notes to Financial Statements for the year ended March 31, 2020**

**30. Unhedged foreign currency exposures**

Particulars of unhedged foreign currency as at reporting date:

**Accounts Receivable**

(Amount in Rupees)					
Particulars	Currency type	Amount in Foreign currency	Amount in Foreign currency	Equivalent amount in Indian Currency	Equivalent amount in Indian Currency
		As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Trade Receivables	US Dollar	2,105,687	3,103,853	158,324,921	214,697,561
	Euro	792,100	831,831	65,781,174	64,635,288
	British pound sterling	64,692	55,893	6,021,269	5,056,963
<b>Total</b>				<b>230,127,364</b>	<b>284,389,812</b>

**Accounts Payable**

(Amount in Rupees)					
Particulars	Currency type	Amount in Foreign currency	Amount in Foreign currency	Equivalent amount in Indian Currency	Equivalent amount in Indian Currency
		As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Borrowing	US Dollar	2,214,122	706,115	166,913,577	48,842,890
Advance from customers	US Dollar	441,974	316,652	33,318,581	21,903,333
	Euro	13,707	26,503	1,138,400	2,059,383
Other payable	US Dollar	11,047	15,588	832,775	1,078,232
	British pound sterling	-	58,500	-	5,292,823
<b>Total</b>				<b>202,203,333</b>	<b>79,176,661</b>

Note: In order to mitigate above risks of foreign currency exposure, the company has booked forward contracts of which forward contracts amounting to USD 4,150,000 are outstanding as at March 31, 2020. Refer note no. 31 for the same.



**Veeda Clinical Research Private Limited**

**Notes to Financial Statements for the year ended March 31, 2020**

**31. Derivative instruments**

The company, in accordance with its risk management policies and procedures, enters into foreign currency forward contracts to manage its exposure to foreign exchange rate variations primarily relating to trade receivables & other payables. These contracts are for a period between three months to twelve months.

Foreign exchange forward contracts outstanding as at the balance sheet date:

Nature of instrument	Foreign Currency	As at March 31, 2020		As at March 31, 2019	
		Amount (FCY)	Amount (INR)	Amount (FCY)	Amount (INR)
Forward contract - Sell	USD	4,150,000	312,851,485	Nil	Nil

32. The company has entered into operating leases for office premises. The leases have an average life of between 3 and 9 years with renewal option included in contract. Renewals are at the option of the lessee. Lease payment recognized in the statement of profit and loss for the year, included under 'Rent' amounts to Rs. 87,073,659 (March 31, 2019: Rs. 62,040,696).

Future minimum rental payable under non-cancellable operating lease are as follows:

Particulars	(Amount in Rupees)	
	March 31, 2020	March 31, 2019
Less than one year	82,931,194	54,427,954
More than one year but less than five years	318,681,622	194,530,771
More than five years	163,512,706	29,920,178
<b>Total</b>	<b>565,125,522</b>	<b>278,878,903</b>

**33. Related Party Transactions**

**a. Holding Company**

Sr. No.	Particulars
1.	Bondway Investment Inc. (Till Nov 21, 2018)
2.	Basil Private Limited (W.e.f. Nov 21, 2018)





**Veeda Clinical Research Private Limited**

**Notes to Financial Statements for the year ended March 31, 2020**

**b. Subsidiary Company**

Sr. No.	Particulars
1	Veeda Clinical Research GmbH (Till July 20, 2018)

**c. Enterprises having significant influence**

Sr. No.	Particulars
1	Bondway Investment Inc. (W.e.f. Nov 21, 2018 )
2	Arabelle Financial Services Ltd. (Till Nov 21, 2018)

**d. Key management personnel**

Sr. No.	Particulars
1	Mr. Apurva Shah (Director)
2	Mr. Binoy Gardi (Director)
3	Mr. Ajay Tandon (Executive Director) (W.e.f. May 15, 2019)
4	Mr. Vivek Chhachhi (Nominee Director) (W.e.f. Nov 21, 2018)
5	Mr. Vinayak Shenvi (Alternate Director) (W.e.f. Nov 21, 2018)
6	Mr. Saurabh Mehta (Nominee Director) (W.e.f. Nov 21, 2018)
7	Ms. Aparajita Jethy Ahuja (Nominee Director) (W.e.f. Nov 29, 2018)
8	Mr. Nirmal Bhatia (Company Secretary) (W.e.f. Oct 26, 2018)

**e. Relatives of key management personnel**

Sr. No.	Particulars
1	Ms. Sujata Gardi

**f. Enterprise in which key management personnel has significant control**

Sr. No.	Particulars
1	Dura Paper Corporation

**g. Enterprise in which director is a member or director**

Sr. No.	Particulars
1	Synerssoft Technologies Pvt. Ltd.



**Veeda Clinical Research Private Limited**

**Notes to Financial Statements for the year ended March 31, 2020**

- h. The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year

(Amount in Rupees)		
Particulars	Year ended March 31, 2020	Year ended March 31, 2019
<b>Holding Company</b>		
Dividend Paid to Preference Share Holders		
Bondway Investment Inc.	-	129,675,658
Buy-back of preference shares class-B		
Bondway Investment Inc.	-	71,960,625
Issue of Preference shares class-A as fully paid-up Bonus shares		
Bondway Investment Inc.	-	221,756,400
<b>Enterprise in which director is a member or director.</b>		
Synersoft Technologies Pvt. Ltd.		
Services Purchased	21,000	210,000
<b>Enterprise having significant influence</b>		
Dividend Paid to Preference Share Holders		
Arabelle Financial Services Ltd.	-	129,675,658
Buy-back of preference shares class-B		
Arabelle Financial Services Ltd.	-	71,960,625
Issue of Preference shares class-A as fully paid-up Bonus shares		
Arabelle Financial Services Ltd.	-	130,481,400
<b>Key Management Personnel</b>		
Remuneration (Including perquisites)		
1. Mr. Apurva Shah	20,733,138	8,300,556
2. Mr. Binoy Gardi	38,835,781	17,490,222
3. Mr. Ajay Tandon	13,185,672	-
Salary (Including perquisites)		
1. Mr. Nirmal Bhatia	11,512,815	4,384,206
<b>Rent - Expense</b>		
1. Mr. Apurva Shah	600,000	600,000
2. Mr. Binoy Gardi	-	150,000



**Veeda Clinical Research Private Limited**

**Notes to Financial Statements for the year ended March 31, 2020**

<b>Reimbursement of Expenses</b>		
1. Mr. Apurva Shah	201,700	2,178,802
2. Mr. Binoy Gardi	15,331	19,030
3. Mr. Ajay Tandon	223,774	-
4. Mr. Nirmal Bhatia	243,771	104,196
<b>Sale of Investment in Veeda Clinical Research GmbH, Germany</b>		
1. Mr. Apurva Shah	-	93,430
2. Mr. Binoy Gardi	-	2,242,329
<b>Relatives of Key Managerial Personnel</b>		
<b>Salary (Including perquisites)</b>		
1. Ms. Sujata Gardi	20,262,215	17,910,831
<b>Enterprise in which key management personnel has Significant Control</b>		
<b>Vehicle Hire Charges</b>		
Dura Paper Corporation	-	693,000

**i. The Outstanding balances as at the end of year**

(Amount in Rupees)

Particulars	As at March 31, 2020	As at March 31, 2019
<b>Key Management Personnel</b>		
<b>Remuneration</b>		
1. Mr. Apurva Shah	-	8,300,556
2. Mr. Binoy Gardi	5,277,013	-
3. Mr. Ajay Tandon	1,053,583	-
<b>Salary</b>		
1. Mr. Nirmal Bhatia	810,703	632,341
<b>Reimbursement of Expenses</b>		
1. Mr. Apurva Shah	-	513,193
2. Mr. Binoy Gardi	-	19,030
3. Mr. Ajay Tandon	93,964	-
<b>Relatives of Key Managerial Personnel</b>		
<b>Salary (Including perquisites)</b>		
1. Ms. Sujata Gardi	5,653,943	-



**Veeda Clinical Research Private Limited**

**Notes to Financial Statements for the year ended March 31, 2020**

**j. Related party as identified by the management and relied upon by the auditors**

**Note:** Indian rupee loans amounting to Rs. 54,912,156 and FCDL amounting to Rs. 48,842,890 outstanding as on March 31, 2019 from banks & financial institutions were guaranteed by the personal guarantee of Mr. Binoy Gardi and Mr. Apurva Shah.

However, said personal guarantee has been removed during the year as well as Indian rupee loans amounting to Rs. 54,912,156 from financial institutions have been repaid during the year.

**34. Details of dues to Micro, Small and Medium Enterprises as defined under the MSMED Act, 2006**

Particulars	(Amount in Rupees)	
	Year ended March 31, 2020	Year ended March 31, 2019
a) Principal amount due to suppliers under MSMED Act, 2006	6,289,804	17,209,552
b) Interest accrued, due to suppliers under MSMED Act on the above amount, and unpaid	Nil	138,460
c) Payment made to suppliers (other than interest) beyond the appointed day during the year	16,123,798	19,703,283
d) Interest paid to suppliers under MSMED Act (Section 16)	572,378	Nil
e) Interest due and payable towards suppliers under MSMED Act for payments already made	34,234	317,263
f) Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act (including interest mentioned in (e) above)	34,234	455,723

The above information is given to the extent available with the Company and relied upon by the auditor.

**35. a. Imported and Indigenous consumables consumed**

Value of Consumption of Imported and Indigenous Consumables and percentage thereof to the total Purchase:	Year ended March 31, 2020		Year ended March 31, 2019	
	Value in Rs.	%	Value in Rs.	%
Imported	2,171,489	1.61	5,251,888	3.53
Indigenous	132,849,410	98.39	143,331,302	96.47
Total	135,020,899	100.00	148,583,190	100.00





**Veeda Clinical Research Private Limited**

**Notes to Financial Statements for the year ended March 31, 2020**

**b. CIF value of imports**

(Amount in Rupees)

Sr. No.	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
i)	Capital Goods	3,889,551	4,821,323
ii)	Spares and Consumables	2,171,489	5,247,819

**c. Expenditure in Foreign Currency**

(Amount in Rupees)

Sr. No.	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
1	Marketing & Business Promotion Expenses	5,178,256	3,993,507
2	Other expenses	203,721	250,115
3	Legal & Professional Charges	3,319,384	286,789
4	Telephone & Internet Expenses	78,759	69,292
5	Conveyance & Petrol Expenses	152,575	67,563
6	Basic Salary	87,318,764	51,522,464
7	Clinical Analytical Research Expenses	219,714	619,914
8	Regulatory Fees	216,570	Nil
9	Courier expenses	90,889	Nil
10	Membership & Subscription Charges	154,164	Nil

**d. Earnings in Foreign Currency (FOB Basis)**

(Amount in Rupees)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Export Income from testing & other services	918,807,189	1,249,502,353

**36. Segment Reporting**

**Business Segment:**

The company is engaged in the business of Clinical Research for various Pharmaceuticals Companies. Since the company's business falls within a single business segment of Clinical Research, no further financial information for business segment is given under Accounting Standard 17 "Segment Reporting".



**Veeda Clinical Research Private Limited**

**Notes to Financial Statements for the year ended March 31, 2020**

**Geographical Segment:**

The company's secondary segments are the geographic distribution of activities. Revenue and carrying amount of segment Assets are specified by location of customers while the other geographic information is specified by location of the assets. The following tables present Revenue, Expenditure and certain Asset information regarding the company's geographical segments.

**Secondary Segment Reporting**

(Amount in Rupees)

Year ended 31 March 2020	India	US	Greece	China	Others	Total
<b>Revenue from Operations</b>						
Sales to customers	540,044,237	182,706,180	192,631,616	174,193,878	311,084,201	1,400,660,112
<b>Other segment information</b>						
Segment Assets	1,000,945,268	24,067,662	51,794,184	78,803,033	41,016,208	1,196,626,355
<b>Total Assets</b>						
<b>Capital Expenditure:</b>						
Property, Plant and Equipment	81,078,645	-	-	-	-	81,078,645
Intangible Assets	9,442,110	-	-	-	-	9,442,110

Year ended 31 March 2019	India	US	Greece	China	Others	Total
<b>Revenue from Operations</b>						
Sales to customers	813,743,741	335,955,414	221,402,598	388,814,576	338,316,843	2,098,233,172
<b>Other segment information</b>						
Segment Assets	897,796,971	39,719,497	75,236,625	93,473,566	108,751,362	1,214,978,021
<b>Total Assets</b>						
<b>Capital Expenditure:</b>						
Property, Plant and Equipment	99,363,854	-	-	-	-	99,363,854
Intangible Assets	1,790,544	-	-	-	-	1,790,544

India geographical segment includes certain assets which are common to all the geographical segment (i.e., India, US, Greece & China). Segment Assets does not include deferred and income tax assets.



**Veeda Clinical Research Private Limited**

**Notes to Financial Statements for the year ended March 31, 2020**

**37. Details of CSR expenditure**

Particulars	(Amount in Rupees)					
	For the year ending March 31, 2020			For the year ending March 31, 2019		
	In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total
Gross amount required to be spent during the year	-	-	9,211,401	-	-	4,778,522
Amount spent during the year	1,500,000	-	1,500,000	2,184,000	-	2,184,000
Construction/acquisition of any asset	-	-	-	-	-	-
On purposes other than above	1,500,000	-	1,500,000	2,184,000	-	2,184,000

**38. Employee stock option plans**

The company provides share-based incentive scheme to its employees. During the year ended 31 March 2020, an Employee Stock Option Plan (ESOP) was introduced. The relevant details of the scheme and the grant are as below.

On 10<sup>th</sup> May 2019 and 25<sup>th</sup> July 2019, the board of directors approved the Equity Settled ESOP Scheme 2019 (ESOP 2019) for issue of stock options to the key employees and directors of the company. According to the Scheme 2019, the employee selected by the remuneration committee from time to time will be entitled based on their annual performance, subject to satisfaction of the prescribed vesting conditions described in the scheme. The contractual life (comprising the vesting period and the exercise period) of options granted is 4 years. The other relevant terms of the grant are as below:

Vesting period	4 years
Exercise period	On March 31, 2023 or listing of the Company Shares whichever is earlier and every year thereafter
Expected life	4 years
Exercise price	INR 10,644

The details of the options granted as on March 31, 2020 are as below:

Particulars	No. of options
Outstanding at the beginning of the year	Nil
Granted during the year	14,244
Forfeited during the year due to resignation of the employees	812
Exercised during the year	Nil
Outstanding at the end of the year	13,432
Exercisable at the end of the year	Nil



**Veeda Clinical Research Private Limited**

**Notes to Financial Statements for the year ended March 31, 2020**

The exercise price of the options was determined based on the immediate deal price prior to the ESOP issue. Being exercise price same as that of fair value of shares so there will not be any calculation of cost of service involved. Hence, no expenses in nature of cost of service were recognized during the year ended 31<sup>st</sup> March, 2020.

**39. Net dividend remitted in foreign exchange**

Year of remittance (ending on)	March 31, 2020	March 31, 2019
Period to which it relates	Not Applicable	25 Oct 2008 to 30 Sep 2018
Number of non-resident shareholders	Nil	2
Number of preference shares held on which dividend was due	Nil	51,018
Amount remitted (in USD)	Nil	3,729,002
Amount remitted (in INR)	Nil	259,351,316

**40. COVID-19 disclosure**

The COVID-19 pandemic has disrupted various business operations due to lockdown and other emergency measures imposed by the governments. The operations of the Company were impacted briefly, due to shutdown of sites and offices following nationwide lockdown. The Company continues with its operations in line with directives from the authorities.

The company has made detailed assessment of its liquidity positions and business operations for next year and its possible effect on the carrying value of assets. The Company does not expect significant impact on its operations and recoverability of value of its assets based on current indicators of future economic conditions. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from that estimated as at the date of approval of these financial results. The company will continue to monitor any material changes to future economic condition and its impact, if any.





**Veeda Clinical Research Private Limited**

**Notes to Financial Statements for the year ended March 31, 2020**

41. Previous year figures have been re-grouped / re-arranged, wherever considered necessary to make them comparable with those of the current year.

For SRBC & Co. LLP  
Chartered Accountants  
ICAI FRN: 324982E/E300003

For and on Behalf of the Board of Directors of  
Veeda Clinical Research Private Limited  
(CIN: U73100GJ2004PTC044023)

  
per Sukrut Mehta  
Partner  
Membership No: 101974



  
Vivek Chhachhi  
Director  
DIN: 00496620

Place: Delhi

Date : 07 Sep, 2020

  
Ajay Tandon  
Managing Director  
DIN: 02210072

Delhi

07 Sep, 2020

  
Nirmal Bhatia  
Company Secretary



Ahmedabad

07 Sep, 2020