



**Vanta Bioscience Limited**



**4<sup>th</sup> Annual Report  
F.Y. 2019-20**



## **CORPORATE INFORMATION**

### **Board of Directors**

Mr. Mohan Krishna Mulakala	:	Chairman (Non – Executive)
Mr. Dopesh Raja Mulakala	:	Managing Director
Mr. SadhanalaVenkata Rao	:	CEO & Whole Time Director
Dr. VyasmurtiMadhavraoShingatgeri	:	Whole Time Director
Dr. Padmanabhuni Venkata Appaji	:	Independent Director
Dr. Gonuguntla Kathyayani	:	Independent Director
Dr. Yogeswara Rao Danda	:	Independent Director

### **KMPs**

Mr. A. Kiran Kumar	:	Chief Financial Officer
Mr. Zoheb S. Sayani	:	Company Secretary and Compliance Officer

### **Registered Office**

#### **Vanta Bioscience Limited**

No.02/G/308/G, No.3/FF/SF/1-20-248, Umajay Complex,  
Rasoolpura, Secunderabad – 500 003, Telangana, India  
CIN: L74999TG2016PLC109280| Website: [www.vantabio.com](http://www.vantabio.com)  
Contact No.: +91 40 6657 5454|Email ID: [cs@vantabio.com](mailto:cs@vantabio.com)

### **Statutory Auditors**

#### **Mathesh&Ramana**

Chartered Accountants  
3-6-145, Himayatnagar, Hyderabad – 500 029

### **Corporate Consultants**

#### **Tapasvilal Deora & Associates**

Practising Company Secretaries  
Office No. 404(2), Paigah Plaza, Basheerbagh, Hyderabad – 500 063, T.S.

### **Bankers**

#### **State Bank of India**

SME Branch, Saifabad, Hyderabad – 500 004

### **Registrar & Share Transfer Agents**

#### **Bigshare Services Private Limited**

306, Right Wing, Amrutha Ville Apts. Somajiguda, Hyderabad – 500 082  
Contact No. : 040 2337 4967; E-Mail :prabhakar@bigshareonline.com

### **Listed at**

SME Platform of BSE Ltd.

**VANTA BIOSCIENCE LIMITED**

**Regd. Office:** No.02/G/308/G, No.3/FF/SF/1-20-248, Umajay Complex,  
Rasoolpura, Secunderabad – 500 003, Telangana, India  
**CIN:** L74999TG2016PLC109280| **Website:** [www.vantabio.com](http://www.vantabio.com)  
**Contact No.:** +91 40 6657 5454| **Email ID:** [cs@vantabio.com](mailto:cs@vantabio.com)

**NOTICE**

**NOTICE IS HEREBY GIVEN THAT THE FOURTH ANNUAL GENERAL MEETING OF THE MEMBERS OF VANTA BIOSCIENCE LIMITED WILL BE HELD ON WEDNESDAY, SEPTEMBER 30, 2020 AT 11:00 A.M. THROUGH VIDEO CONFERENCING (“VC”)/OTHER AUDIO VISUAL MEANS (“OAVM”) TO TRANSACT THE FOLLOWING BUSINESS:**

**The proceedings of the AGM shall be deemed to be conducted at the registered office of the Company**

**Ordinary Business**

1. To receive, consider and adopt the Standalone and consolidated audited financial statements for the financial year ended March 31, 2020 along with the Reports of the Auditors and Board of Directors thereon.
2. To appoint a Director in place of Mr. Mohan Krishna Mulakala(DIN: 01448535) who retires by rotation and being eligible, offers himself for re-appointment.

**Special Business**

3. **Re- appointment of Mr. Dopesh Raja Mulakala (DIN: 01176660) as Managing Director of the Company.**

*To consider and, if thought fit, to pass with or without modification, the following resolution as a **Special Resolution:***

**“RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Schedule V of the Companies Act, 2013, pursuant to the recommendation of Nomination and Remuneration Committee, the consent of the members be and is hereby accorded to re-appoint Mr. Mulakala Dopesh Raja (DIN 01176660), as the Managing Director of the Company for another term of 3 years with effect from April 18, 2020 at a remuneration detailed below:

- i) **Overall remuneration:** Mr. Mulakala Dopesh Raja (DIN 01176660) shall be paid a remuneration (i.e. salary, perquisites and commission) upto Rs. 2,50,000/- (Rupees Two Lakh and Fifty Thousand Only) per month. He shall also be provided with a Company car with driver, telephone instrument and a laptop and shall be eligible for reimbursement of expenses at actuals in accordance with the policy of the Company. In case of any doubts/ discrepancy/ clarification that may arise with respect to payment of remuneration the same shall be determined and decided by the Board.
- ii) **Minimum remuneration:** In the event of inadequacy or absence of profits in any financial year, during the currency of the tenure of his office, he shall be paid the above remuneration, as minimum remuneration in accordance with the provisions of Part II of Schedule V of the Act.
- iii) The composition of the remuneration payable to Mr. Mulakala Dopesh Raja (DIN 01176660) may be varied as desired by him and accepted by the Board.

**RESOLVED LASTLY THAT** the Directors of the Company be and are hereby severally authorised to do all such acts, things and deeds including but not limited to filing of requisite forms/ returns with the office of the Registrar of Companies so as to bring this resolution into force.”

**4. Re- appointment of Dr. VyasmurtiMadhavraoShingatgeri (DIN 07728757)as Whole Time Director of the Company.**

*To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:*

“**RESOLVED THAT** pursuant to the provisions of Section 196, 197, 203 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Schedule V of the Companies Act, 2013, pursuant to the recommendation of Nomination and Remuneration Committee, the approval of the members be and is hereby accorded to re-appoint Dr. VyasmurtiMadhavraoShingatgeri (DIN 07728757) as the Whole Time Director of the Company for another term of 3 years with effect from April 01, 2020 at a remuneration detailed below:

i) **Overall remuneration:** Dr. VyasmurtiMadhavraoShingatgeri (DIN 07728757) shall be paid a remuneration (i.e. salary, perquisites and commission) upto Rs. 5,00,000/- (Rupees Five Lakh Only) per month. He shall also be provided with a Company car with driver, telephone instrument and a laptop and shall be eligible for reimbursement of expenses at actuals and other facilities in accordance with the policy of the Company. In case of any doubts/ discrepancy/ clarification that may arise with respect to payment of remuneration the same shall be determined and decided by the Board.

ii) **Minimum remuneration:** In the event of inadequacy or absence of profits in any financial year, during the currency of the tenure of his office, he shall be paid the above remuneration, as minimum remuneration in accordance with the provisions of Part II of Schedule V of the Act.

iii) The composition of the remuneration payable to Dr. VyasmurtiMadhavraoShingatgeri (DIN 07728757) may be varied as desired by him and accepted by the Board.

**RESOLVED LASTLY THAT** the Directors of the Company be and are hereby severally authorised to do all such acts, things and deeds including but not limited to filing of requisite forms/ returns with the office of the Registrar of Companies so as to bring this resolution into force.”

**5. Authorization to Board to give loans, guarantees and make investments**

*To consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:*

“**RESOLVED THAT** in supersession of the special resolution passed earlier,pursuant to the provisions of Section 186 of the Companies Act, 2013and all other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Meetings of Board and its Powers) Rules, 2014 and other rules, regulations, notifications and circulars framed thereunder including any statutory modification or re-enactment thereof for the time being in force, and such other approvals as may be required in that behalf, the approval of the members be and is hereby accorded to the Board of Directors to (a) give loans from time to time on such terms and conditions as it may deem expedient to any person, its subsidiaries and/or other body corporates; (b) give on behalf of any person, any guarantee, or provide security in connection with a loan made by any other person, its subsidiaries and/or by any body corporate; and (c) acquire by way of subscription, purchase or otherwise, the securities of any of its subsidiaries and/or other body corporates, in one or more tranches on such terms and conditions as the Board may in their absolute discretion deem

beneficial and in the interest of the Company, in excess of the limits prescribed under Section 186 of the Act up to an aggregate sum of Rs. 100,00,00,000/- (Rupees One Hundred Crore Only).

**RESOLVED FURTHER THAT** the Directors be and are hereby severally authorised to take such actions and steps, including delegation of authority to any committee, as may be necessary and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution without requiring the Board to secure any further approval of the Members of the Company.”

#### **6. Authorization to Board to borrow funds:**

*To consider and, if thought fit, to pass with or without modification, the following resolution as a **Special Resolution:***

“**RESOLVED THAT** in supersession of the special resolution passed earlier, pursuant to Sections 179, 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Meetings of Board and its Powers) Rules, 2014 and other rules, regulations, notifications and circulars issued including any statutory modification or re-enactment thereof for the time being in force, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as 'the Board') which term shall be deemed to include any Committee which the Board may have constituted or may hereinafter constitute to exercise its powers including the powers conferred by this Resolution for borrowing from time to time, any sum or sums of money for the purposes of the business of the Company, upon such terms and conditions and with or without security, as the Board may in its discretion think fit, notwithstanding that the money or monies to be so borrowed by the Company (apart from the temporary loans obtained or to be obtained from time to time from the Company's Bankers in the ordinary course of business) together with the sums already borrowed, may exceed the aggregate of the paid-up share capital of the Company and its free reserves that is to say, reserves not set apart for any specific purposes, provided however that the sums so borrowed and remaining outstanding shall not, at any time, exceed Rs. 100,00,00,000/- (Rupees One Hundred Crore Only).

**RESOLVED FURTHER THAT** the Directors be and are hereby severally authorised to take such actions and steps, including delegation of authority to any committee, as may be necessary and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution without requiring the Board to secure any further approval of the Members of the Company.”

#### **7. Authorization to Board to create charge on the assets of the Company**

*To consider and, if thought fit, to pass with or without modification, the following resolution as a **Special Resolution:***

“**RESOLVED THAT** in supersession of the special resolution passed earlier, pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 and other rules, regulations, notifications and circulars issued including any statutory modification or re-enactment thereof for the time being in force, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company, to create charges, mortgages and / or hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, in such form and manner and with such ranking, whether exclusive, pari-passu, subservient or otherwise and at such time and on such terms as the Board may determine, on all or any of the moveable and / or immovable properties of the Company, both present and future and / or on the whole or any part of the undertaking(s) of the Company, in favour of the banks, non-banking financial companies, financial institutions and other lender(s), Agent(s) and Trustee(s), for securing the borrowings of the Company availed / to be availed by way of loans(s) (in Foreign currency and /

or rupees) and / or debentures (convertible / non-convertible / secured / unsecured) and / or securities in the nature of debt instruments issued / to be issued by the Company (hereinafter termed 'loans'), from time to time, provided that the total amount of loans shall not at any time exceed Rs. 100,00,00,000/- (Rupees One Hundred Crore Only) .

**RESOLVED FURTHER THAT** the Directors be and are hereby severally authorised to take such actions and steps, including delegation of authority, as may be necessary and to settle all matters arising out of and incidental thereto; and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution, without requiring the Board to secure any further approval of the Members of the Company.”

**By order of the Board  
For Vanta Bioscience Limited**

**September 02, 2020  
Secunderabad**

**Zoheb S. Sayani  
Company Secretary**

## **NOTES:**

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies are required to be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The 4<sup>th</sup> AGM of the Company thus is being held through video conferencing (VC) or other audio visual means (OAVM).
2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended) and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the 4<sup>th</sup> AGM. For this purpose, the Company has entered into an arrangement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large shareholders (shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnels, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members of such body corporates can attend the AGM through VC/OAVM and cast their votes through e-voting. Institutional/Corporate Shareholders (i.e. otherthan individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc.,authorizing its representative to attend the AGMthrough VC / OAVM on its behalf and to vote throughremote e-voting. The said Resolution/Authorizationshall be sent to the Scrutinizer by email through itsregistered email address to cstapasvideora@gmail.com with a copy marked to cs@vantabio.com
6. Notice of the AGM along with Annual Report 2019-20 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / Depository Participants. The Notice calling the AGM has been uploaded on the website of the Company at [www.vantabio.com](http://www.vantabio.com). The Notice can also be accessed from the website of BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).



7. The relevant details pursuant to Regulations 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR Regulations”) and as required under Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/ reappointment at this Annual General Meeting are also annexed as **Annexure-A**.
8. All the work related to share registry in terms of both physical and electronic, are being conducted by Company’s R & T Agents, Bigshare Services Private Limited, 306, Right Wing, Amrutha Ville Apts. Somajiguda, Hyderabad – 500 082, Contact No.: 040 2337 4967; E-Mail: prabhakar@bigshareonline.com. The Members are requested to send their communications if any to the aforesaid address.
9. The Company has designated an exclusive Email Id - cs@vantabio.com for redressal of Shareholders’/Investors’ complaints/grievance. In case you have any queries, complaints or grievances, then please write to us at the above mentioned e-mail address.
10. Process for registration of Email Id for obtaining Annual Report, User ID and password fore-voting:
  - In case, shares are held in physical mode, members are requested to visit on the website of Company’s Registrar & Share Transfer Agent, Bigshare Services Private Limited at <https://www.bigshareonline.com/> and upload the documents required therein.
  - In case, shares are held in demat mode, members are requested to update Email Id and bank account details with their respective Depository Participants.
11. Members holding shares in dematerialized form are advised to inform the particulars of change of address and email ids to their respective Depository Participants only. The Company or its Registrar and Transfer Agents cannot act on any request received directly from the members holding shares in dematerialized mode for such changes and such instructions shall be given directly to the Depository Participants by the members.
12. Subject to the receipt of requisite number of votes, the resolution shall be deemed to be passed at the AGM. The result declared, along with the Scrutinizer’s Report, will be placed on the Company’s website after the result is declared by the Chairman or any other person authorized by the Chairman, and the same shall be communicated to the BSE Ltd.
13. The Company has appointed Mr. Tapasvilal Deora, Company Secretary in Practice as “Scrutinizer” for conducting the e-voting process for the Annual General Meeting in a fair and transparent manner.
14. Shareholders who have not registered their email id and wish to receive all communications/correspondences in electronic form can write to [cs@vantabio.com](mailto:cs@vantabio.com).
15. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to the Notice.
16. A statement pursuant to Section 102(1) of the Act, relating to the Special Business to be transacted at the AGM is annexed hereto

**THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:**

- (i) The voting period begins on September 27, 2020 at 9:00 A.M. and ends on September 29, 2020 at 5:00 P.M During this period, the shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date September 23, 2020 at 9:00 A.M may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.A person, who is not a member as on the cut-off date, should treat the Notice for information purpose only.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on “Shareholders” module.
- (v) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.OR

Alternatively, if you are registered for CDSL’s **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from **Login - Myeasi** using yourlogin credentials. Once you successfully log-in to CDSL’s **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.

- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

	<b>For Shareholders holding shares in Demat Form and Physical Form</b>
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"><li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li></ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"><li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li></ul>

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <VANTA BIOSCIENCE LIMITED> on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app “**m-Voting**”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.

2. For Demat shareholders - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to **Company/RTA email id**.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting (i.e September 23, 2020) mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance atleast 7 days prior to meeting (i.e September 23, 2020) mentioning their name, demat account number/folio number, email id, mobile number at [cs@vantabio.com](mailto:cs@vantabio.com). These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

**INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

(xx) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [cs@vantabio.com](mailto:cs@vantabio.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022-23058738 ) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

## **EXPLANATORY STATEMENT**

As required under Section 102 of the Companies Act, 2013 (“Act”), the following explanatory statement sets out all material facts relating to special business mentioned in the Notice of AGM:

### **Item No.3**

Mr. Dopesh Raja Mulakala (DIN 01176660) was appointed as the Managing Director of the Company for a period of 3 years w.e.f April 18, 2017. His term expires as Managing Director of the Company on April 17, 2020 and accordingly, the Board of Directors of the Company pursuant to the recommendation of Nomination and Remuneration Committee, in their meeting held on March 10, 2020 approved the re-appointment of Mr. Dopesh Raja Mulakala (DIN 01176660) as the Managing Director of the Company for another period of 3 years w.e.f April 18, 2020 which is further subject to requisite approval from the shareholders in accordance with the applicable provisions of the Companies Act, 2013.

The following is a brief profile of Mr. Dopesh Raja Mulakala (DIN 01176660):

He holds a master’s in business administration from the Weatherhead School of Management at Case Western Reserve University, U.S.A. He holds a PGDMA (Family Managed Business) from S.P. Jain Institute of Management & Research, Mumbai, India. He holds a bachelor’s degree of engineering – mechanical (production) from Osmania University, Hyderabad, India. He is a member of CII FBN (India Chapter), Pharmaceutical Export Promotion Council (PHARMEXIL) and Federation of Indian Exporting Organisations (FIEO). He has experience of more than eight years in setting up and running companies in the areas of manufacturing, research & development and is one of the promoters of Sarvotham Group – Hyderabad, India

Taking into consideration his rich profile and in view of the increasing responsibility, the Board, pursuant to the recommendation of Nomination and Remuneration, approved the re-appointment of Mr. Dopesh Raja Mulakala (DIN 01176660) as Managing Director of the Company subject to requisite approvals.

In compliance with the provisions of Sections 196, 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the Act, the terms of re-appointment and remuneration as set out in Item No. 3 are now being placed before the members for their approval by way of Special Resolution.

Pursuant to the provisions of Section II of Part II of Schedule V of the Companies Act, 2013, where in any financial year during the currency of the tenure of the Managing Director or Whole Time Director, the Company has Nil Profits or the Profits are inadequate, the following additional information is required to be submitted to the shareholders

### ***Information required under Section II, Part II of Schedule V of the Companies Act, 2013:***

<b><i>I. General Information</i></b>		
1	Nature of Industry	The Company is carrying the business of providing research and development, full range of preclinical toxicology studies including in Vitro and In Vivo toxicity studies in the areas of pharmaceutical industry, agro chemical, food cosmetics and medical devices.

2	Date of expected date of commencement of commercial production	The Company has already commenced its commercial operations in FY 2017-18
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable
4	Financial performance based on given indicators	The Company was incorporated on April, 29, 2016. The company commenced its operations in FY 2017-18. The following are the financial parameters of the Company as on March 31, 2020  Turnover – Rs. 14.11 Cr Total Expense – Rs. 12.93 Cr Profit before Tax – Rs. 1.29 Cr Profit after Tax – Rs. 0.98 Cr
5	Foreign Investments or collaborations, if any.	Nil  No foreign investment in the Company as such. However, there are NRI's who have purchased shares from open market of BSE Ltd.
<b>II. Information about the appointees:</b>		
1	Background details and Experience	Mr. Dopesh Raja Mulakala has a master's in business administration from the Weatherhead School of Management at Case Western Reserve University, U.S.A. He holds a PGDMA (Family Managed Business) from S.P. Jain Institute of Management & Research, Mumbai, India. He holds a bachelor's degree of engineering – mechanical (production) from Osmania University, Hyderabad, India. He is a member of CII FBN (India Chapter), Pharmaceutical Export Promotion Council (PHARMEXIL) and Federation of Indian Exporting Organisations (FIEO). He has experience of more than eight years in setting up and running companies in the areas of manufacturing, research & development and is one of the promoters of Sarvotham Group – Hyderabad, India.
2	Age	36 years
3	Date of first appointment	Mr. Dopesh Raja Mulakala is the Promoter Director of the Company and has been a Director since its incorporation on 29.04.2016. He was appointed as Managing Director of the Company w.e.f 18.04.2017 for a term of 3 years.
4	Board Meetings attended during the year	Attended 5 meetings during the year
5	Committees of Board	Audit Committee – 4 out of 4 Stake holders Committee – 2 out of 2
6	Past Remuneration (p.a.)	Rs. 30,00,000/- p.a. (Rupees Thirty Lakh Only)

7	Recognition or awards	<ul style="list-style-type: none"> <li>• Successfully lead the business development team to finalize a long term exclusive manufacturing agreements with Japanese FMCG Companies like KOSE and Pigeon for manufacture of various formulations for the domestic markets.</li> <li>• Successfully entered into manufacturing contracts with a few other notable companies like Vyome Bioscience, Johnson Diversiey, Sealed Air etc. for manufacture of various products for the consumer market in India</li> </ul>
8	Job Profile and his suitability	<p>The following is the Job profile and responsibilities:</p> <ul style="list-style-type: none"> <li>• To head the business development team to ensure the sustainability of the organization</li> <li>• Ensure smooth transition and integration into Sarvotham Group</li> <li>• Recruit key management and technical personnel</li> </ul> <p>Considering his performance in the previous term and further in view of his qualifications and the past experience, Mr. Mulakala Dopesha Raja (DIN 01176660) is aptly suitable to be re-appointed as the Managing Director of the Company and to lead the overall business and other functions.</p>
9	Remuneration proposed (p.a.)	Rs. 30,00,000/- p.a. (Rupees Thirty Lakh Only) w.e.f April 18, 2020. (Detailed in the resolution)
10	Pecuniary relationship	<p>He is the promoter director of the Company</p> <p>Except his shareholding in the Company and the proposed remuneration, he has no pecuniary relationship with the Company.</p>
Comparative remuneration profile with respect to industry, size of company, profile of the position and person		Considering the general industry and the specific company profile, the proposed remuneration is in line with the industry levels and that of comparatively placed companies in India.
<b>III. Other Information</b>		
1	Reasons of loss or inadequate profits	<p>The Company has commenced its operations only in FY 2017-18 and it has been only 3 years that the Company is into the said business</p> <p>Though, the revenues of the Company have increased multifold over the last 3 years, however, it will take some more time for the Company to grow fully and become a market leader in this sector.</p> <p>Also, the overheads of the Company are currently high and will come down gradually with increase in the order book of the Company.</p>



2	Steps taken or proposed to be taken for improvement	Focus would be on stabilizing existing projects and new business acquisitions for organic and inorganic growth in the similar line of business or otherwise.
3	Expected increase in productivity and profits in measurable terms:	The revenue of the Company has increased multi folds during the last few financial years. The Company hopes a further increase in the revenue and profits by improved margins in current and next financial year.

Accordingly, Item No. 3 is recommended for your approval as Special Resolution

Mr. Mulakala Dopesh Raja (DIN 01176660) and Mr. Mulakala Mohan Krishna (DIN 01448535) being his relative, both the said Directors and their relatives are deemed to be interested in the resolution.

Except as stated above, none of the Directors, KMPs or their relatives are interested in this resolution.

#### **Item No. 4**

Dr. VyasmurtiMadhavraoShingatgeri (DIN 07728757) was appointed as the Whole Time Director of the Company on April 01, 2017 for a term of 3 years upto March 31, 2020 and accordingly, the Board of Directors of the Company, pursuant to the recommendation of Nomination and Remuneration Committee, in their meeting held on March 10, 2020 approved the re-appointment of Dr. VyasmurtiMadhavraoShingatgeri (DIN 07728757) as the Whole Time Director of the Company for another period of 3 years w.e.f April 01, 2020 which is further subject to requisite approval from the shareholders in accordance with the applicable provisions of the Companies Act, 2013.

The following is his profile:

Dr. Vyasmurti holds a doctor of philosophy (pathology) degree from the Agricultural University, Thrissur, Kerala, India. He holds a master of veterinary science (pathology) degree from the Konkan KrishiVidyapeeth, Dapoli, India. He holds a bachelor of veterinary science and animal husbandry degree from the Konkan KrishiVidyapeeth, Dapoli, India. A Veterinary Pathologist by profession, Dr. Vyasmurti has more than 12 years of experience as academician and 18 years of experience in the pharmaceutical sector. He has successfully completed 'Laboratory Assessor Training Course' of National Accreditation Board for Testing and Calibration Laboratories (NABL) from Indian Institute of Quality Management, Jaipur.

Considering the vast experience of Dr. VyasmurtiMadhavraoShingatgeri (DIN 07728757) and also keeping in view the contribution he is making to the growth of the Company, the Board, pursuant to the recommendation of Nomination and Remuneration, approved the re-appointment of Dr. VyasmurtiMadhavraoShingatgeri (DIN 07728757) as Whole Time Director of the Company subject to requisite approvals.

In compliance with the provisions of Sections 196, 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the Act, the terms of re-appointment and remuneration as set out in Item No. 4 are now being placed before the members for their approval by way of Special Resolution.

Pursuant to the provisions of Section II of Part II of Schedule V of the Companies Act, 2013, where in any financial year during the currency of the tenure of the Managing Director or Whole Time Director, the Company has Nil Profits or the Profits are inadequate, the following additional information is required to be submitted to the shareholders

**Information required under Section II, Part II of Schedule V of the Companies Act, 2013:**

<b>I. General Information</b>		
1	Nature of Industry	The Company is carrying the business of providing research and development, full range of preclinical toxicology studies including in Vitro and In Vivo toxicity studies in the areas of pharmaceutical industry, agro chemical, food cosmetics and medical devices.
2	Date of expected date of commencement of commercial production	The Company has already commenced its commercial operations in FY 2017-18
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable
4	Financial performance based on given indicators	The Company was incorporated on April, 29, 2016. The company commenced its operations in FY 2017-18. The following are the financial parameters of the Company as on March 31, 2020  Turnover – Rs. 14.11 Cr Total Expense – Rs. 12.93 Cr Profit before Tax – Rs. 1.29 Cr Profit after Tax – Rs. 0.98 Cr
5	Foreign Investments or collaborations, if any.	Nil  No foreign investment in the Company as such. However, there are NRI's who have purchased shares from open market of BSE Ltd.
<b>II. Information about the appointees:</b>		
1	Background details and Experience	Dr. Vyasmurti holds a doctor of philosophy (pathology) degree from the Agricultural University, Thrissur, Kerala, India. He holds a master of veterinary science (pathology) degree from the Konkan KrishiVidyapeeth, Dapoli, India. He holds a bachelor of veterinary science and animal husbandry degree from the Konkan KrishiVidyapeeth, Dapoli, India. A Veterinary Pathologist by profession, Dr. Vyasmurti has more than 12 years of experience as academician and 18 years of experience in the pharmaceutical sector. He has successfully completed 'Laboratory Assessor Training Course' of National Accreditation Board for Testing and Calibration Laboratories (NABL) from Indian Institute of Quality Management, Jaipur.

2	Age	61 years
3	Date of first appointment	Dr. Vyasmurtiis the Promoter Director of the Company and has was appointed as Additional Director of the Company on 08.02.2017 and was regularized and appointed as Whole Time Director w.e.f 01.04.2017 for a term of 3 years
4	Board Meetings attended during the year	Attended 3 meetings during the year
5	Committees of Board	He is not part of any committees of the Board
6	Past Remuneration (p.a.)	Rs. 24,00,000/- p.a. (Rupees Twenty Four Lakh Only)
7	Recognition or awards	The following are few awards and recognition: <ul style="list-style-type: none"> <li>• Recipient of the prestigious award for the significant contribution towards the development of India's first new drug (a combination product) from concept to launch bestowed upon by the former president, Dr. APJ Abdul Kalam, August 2012 at Ranbaxy Laboratories Limited, Gurgaon</li> <li>• Awarded with "Fellow of Society of Toxicology (FST) for year 2010 by the Governing body of Society of Toxicology (STOX)</li> <li>• Nominated as OECD National Working Committee member and "Trainer for GLP" by Govt of India (2003 to 2005)</li> </ul>
8	Job Profile and his suitability	He shall be responsible for leading and managing the Animal breeding and housing facility, documentation control, test item control and archives (Test Facility Management)  Considering his performance in his previous term, further his qualifications and the past experience, Dr. Vyasmurtiis aptly suitable to fulfill the responsibilities as mentioned above.
9	Remuneration proposed (p.a.)	Rs. 60,00,000/- p.a. (Rupees Sixty Lakh Only) w.e.f April 01, 2020.
10	Pecuniary relationship	He is the promoter director of the Company  Except his shareholding in the Company and the proposed remuneration, he has no pecuniary relationship with the Company.
Comparative remuneration profile with respect to industry, size of company, profile of the position and person		Considering the general industry and the specific company profile, the proposed remuneration is in line with the industry levels and that of comparatively placed companies in India.
<b>III. Other Information</b>		
1	Reasons of loss or inadequate profits	The Company has commenced its operations only in FY 2017-18 and it has been only 3 years that the Company is into the

		<p>said business.</p> <p>Though, the revenues of the Company have increased multifold over the last 3 years, however, it will take some more time for the Company to grow fully and become a market leader in this sector.</p> <p>Also, the overheads of the Company are currently high and will come down gradually with increase in the order book of the Company.</p>
2	Steps taken or proposed to be taken for improvement	Focus would be on stabilizing existing projects and new business acquisitions for organic and inorganic growth in the similar line of business or otherwise.
3	Expected increase in productivity and profits in measurable terms:	The revenue of the Company has increased multi folds during the last few financial years. The Company hopes a further increase in the revenue and profits by improved margins in current and next financial year

Accordingly, Item No. 4 is recommended for your approval as Special Resolution

Except Dr. VyasmurtiMadhavraoShingatgeri (DIN 07728757), none of the Directors, KMP or their relatives are interested in both the resolutions.

He is not associated with any Director of the Company.

**Item No. 5:**

Pursuant to the provisions of section 186(3) of the Companies Act, 2013 and rules made there under, the Company needs to obtain prior approval of members by way of special resolution for items mentioned in Section 186 in case the amount exceeds the limits prescribed under the Act. The shareholders of the Company in their extra ordinary general meeting held on February 13, 2017 accorded their approval for a limit of Rs. 50,00, 00,000/- (Rupees Fifty Crore Only).

The Board of the Company now intends to increase the said limit to Rs. 100,00,00,000/- (Rupees One Hundred Crore Only) considering the loans, investments and guarantees being made to the subsidiary companies and also for other purposes.

Accordingly, the Board proposes to obtain approval of shareholders by way of special resolution for an amount not exceeding Rs. 100,00,00,000/- (Rupees One Hundred Crore Only) in supersession of the special resolution passed earlier.

This resolution is recommended for your approval as a Special Resolution.

None of the Directors, KMPs or their relatives are interested in the resolution, except to the extent of their shareholding.

**Item No. 6:**

Keeping in view the Company's existing and future financial requirements and in view of the business expansion plans, the Board of Directors are of the opinion that the Company would require, from time to time, to borrow funds from banks, financial institutions and others to meet the funding requirements of the Company.

Pursuant to Section 180(1)(c) of the Companies Act, 2013, the Board of Directors cannot borrow more than the aggregate amount of the paid-up capital of the Company and its free reserves at any one time except with the consent of the members of the Company in a general meeting.

The shareholders of the Company in their extra ordinary general meeting held on February 13, 2017 accorded their approval to the Board for a limit of Rs. 50,00,00,000/- (Rupees Fifty Crore Only).

The Board of the Company now intends to increase the said limit to Rs. 100,00,00,000/- (Rupees One Hundred Crore Only) considering the financial requirements of the Company.

Accordingly, the Board proposes to obtain approval of shareholders by way of special resolution for an amount not exceeding Rs. 100,00,00,000/- (Rupees One Hundred Crore Only) in supersession of the special resolution passed earlier.

This resolution is recommended for your approval as a Special Resolution.

None of the Directors, KMPs or their relatives are interested in the resolution, except to the extent of their shareholding.

**Item No. 7:**

Pursuant to Section 180(1)(a) of the Companies Act, 2013, the Company can dispose off its undertakings/ property/ assets through sale or lease or provide security of its assets for repayment of loan or otherwise only with the approval of the shareholders accorded by way of a special resolution.

The shareholders of the Company in their extra ordinary general meeting held on February 13, 2017 accorded their approval to the Board for a limit of Rs. 50,00,00,000/- (Rupees Fifty Crore Only).

The Board of the Company now proposed to increase the said limit to Rs. 100,00,00,000/- (Rupees One Hundred Crore Only) considering the increase in the funding requirements of the Company from banks and others.

Accordingly, the Board proposes to obtain approval of shareholders by way of special resolution for an amount not exceeding Rs. 100,00,00,000/- (Rupees One Hundred Crore Only) in supersession of the special resolution passed earlier.

This resolution is recommended for your approval as a Special Resolution.

None of the Directors, KMPs or their relatives are interested in the resolution, except to the extent of their shareholding.

**By order of the Board  
For Vanta Bioscience Limited**

**September 02, 2020  
Secunderabad**

**Zoheb S. Sayani  
Company Secretary**

## ANNEXURE TO NOTICE

Details of Directors seeking appointment / re-appointment in forthcoming Annual General Meeting (In pursuance of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings

Name of Director	Mr. Mohan Krishna Mulakala	Mr. Dopesh Raja Mulakala	Dr.VyasmurtiMadhavraoShingatgeri
<b>Director Identification Number (DIN)</b>	01448535	01176660	07728757
<b>Date of Birth</b>	01-04-1958	26-05-1984	14-11-1958
<b>Age</b>	62	36	61
<b>Qualifications</b>	Bsc, Sambhalpur University	MBA, Case Western Reserve University, U.S.A	Doctor
<b>Brief Resume and Experience</b>	He has experience of over three decades in setting up and running companies in the areas of manufacturing, research & development. He is the founder of Sarvotham Group - Hyderabad, India. He is a Member of CII FBN (India Chapter), Confederation of Indian Industry(CII), Pharmaceutical Export Promotion Council (PHARMEXIL) and the Federation of	He holds a PGDMA (Family Managed Business) from S.P. Jain Institute of Management & Research, Mumbai, India. He holds a bachelor's degree of engineering - mechanical (production) from Osmania University, Hyderabad, India. He is a member of CII FBN (India Chapter), Pharmaceutical Export Promotion Council (PHARMEXIL) and Federation of Indian Exporting	A Veterinary Pathologist by profession, Dr. Vyasmurti has 10 years of experience as academician and experience of more than two decades in the pharmaceutical sector. He is a Diplomate of Indian College of Veterinary Pathologists (ICVP). He is a fellow member of the Society of Toxicology (STOX), India. He is a member of Association of Toxicology. In the year 1998 he received Jawaharlal Nehru Award for outstanding Post-Graduate Agricultural Research, 1998 from Indian Council of Agricultural Research for his outstanding contribution in the field of veterinary pathology.

	Telangana and Andhra Pradesh Chambers of Commerce and Industries (FTAPCCI).	Organisations (FIEO). He has experience of more than eight years in setting up and running companies in the areas of manufacturing, research & development and is one of the promoters of Sarvotham Group - Hyderabad, India	
<b>Terms and Conditions of Appointment and remuneration sought</b>	Liabile to retire by rotation. Offered himself for reappointment and no remuneration is being paid.	Terms and conditions of appointment are as per resolution at Item No. 3 of the Notice convening the Annual General Meeting read with explanatory statement thereto.	Terms and conditions of appointment are as per resolution at Item No. 4 of the Notice convening the Annual General Meeting read with explanatory statement thereto
<b>Remuneration last Drawn (2018-19)</b>	Nil	Rs. 30,00,000/- p.a.	Rs. 24,00,000/- p.a.
<b>Nature of Expertise in specific functional areas</b>	Experience of over 3 decades Setting up and running companies in the areas of manufacturing, research & development	Setting up and running companies in the areas of manufacturing, research & development	25 years of experience in the pharmaceutical sector
<b>Date of 1<sup>st</sup> Appointment</b>	Appointed as Director on April 29, 2016	Appointed as Director on April 29, 2016	Appointed as Director on February 08, 2017 and Whole Time Director on April 01, 2017

		and Managing Director on April 18, 2017 for 3 years	
<b>Number of shares held in the Company</b>	34,85,500 Equity Shares	4,58,000 Equity Shares	50,000 Equity Shares
<b>Inter-se relationship with other Directors and Key Managerial Personnel</b>	Father of Mr. Dopesh Raja Mulakala (Managing Director of the Company)	Son of Mr. Mohan Krishna Mulakala (Chairman – Non Executive Director)	Not Related
<b>No of Board Meetings Attended during the year</b>	Attended 5 meetings during the year	Attended 5 meetings during the year	Attended 3 meetings during the year
<b>Directorships held in other companies (excluding foreign companies and Vanta Bioscience Limited)</b>	<ul style="list-style-type: none"> <li>• Sarvotham Care Limited</li> <li>• Shree Cosmetics Limited</li> <li>• Sarvotham Solutions Limited</li> <li>• Specific Laboratories Pvt. Ltd</li> </ul>	<ul style="list-style-type: none"> <li>• Sarvotham Care Limited</li> <li>• Sarvotham Remedies Limited</li> <li>• Shree Cosmetics Limited</li> <li>• Sarvotham Solutions Limited</li> <li>• Vanta Clinical Research Limited</li> <li>• Vayam Research Solutions Limited</li> </ul>	<ul style="list-style-type: none"> <li>• Pharmaids Pharmaceuticals Limited (Listed)</li> </ul>
<b>Membership/ Chairmanships of committees of other companies (includes only Audit Committee and Stakeholders Relationship)</b>	Nil	Nil	Member- Audit Committee (Pharmaids Pharmaceuticals Limited)



## DIRECTOR'S REPORT

Dear Members,

Your Directors have pleasure in presenting herewith the 4<sup>th</sup> Annual Report on the business of the Company together with the Audited Financial Statements for the financial year ended March 31, 2020.

### OUR BUSINESS

Vanta Bioscience Limited (VBS) is a preclinical contract research organization, offering a host of preclinical safety assessment services for clientele from Pharmaceutical, Medical Devices, Nutraceuticals, Feed Additive, Biotech, Agrochemicals, Cosmetics, and Chemical industries. In addition, we also provide risk assessment services for evaluating the safety of the Active Pharmaceutical Ingredients (API), excipients, extractable and leachables including pharmaceutical impurities resulting due to manufacturing process or due to degradation of the product. VBS also provides expert services for determination of health based exposure limits (e.g. permitted daily exposure (PDE) or allowable daily exposure (ADE) including occupational exposure limits (OEL) for pharmaceutical manufacturers.

### FINANCIAL HIGHLIGHTS

The following are the financial highlights of the Company:

**(Amount in Rs.)**

PARTICULARS	Standalone Basis		Consolidated Basis	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Total Revenue	14,22,18,550	12,65,36,666	14,25,30,128	12,65,36,666
Total Expenses	12,93,38,113	11,55,60,585	12,91,11,363	11,55,05,005
<b>Profit before Tax</b>	<b>1,28,80,437</b>	<b>1,09,76,081</b>	<b>1,34,18,765</b>	<b>1,10,31,660</b>
Current Tax	21,64,199	22,89,357	23,53,969	23,03,808
MAT Credit Availed	9,44,986	-	9,44,986	-
Deferred Tax	18,81,192	17,49,145	18,81,192	17,49,145
<b>Profit after Tax</b>	<b>97,80,032</b>	<b>69,37,578</b>	<b>1,01,28,590</b>	<b>69,78,707</b>
Less: Minority Interest	-	-	83,444	13,915
<b>Profit</b>	<b>97,80,032</b>	<b>69,37,578</b>	<b>1,00,45,146</b>	<b>69,64,792</b>

### DIVIDEND

The Board has not recommended any dividend for the financial year 2019-20.

### TRANSFER TO RESERVES

No amount has been transferred to general reserves during the year under review. Reserves and Surplus are disclosed in Note 4 of the financial statements.

## **DEPOSITS**

The Company has neither accepted nor renewed any deposits from public as defined under the provisions of Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014. However, the Company has obtained loan from Mr. Dopesh Raja Mulakala (DIN 01176660), Managing Director of the Company. Details of the same are disclosed in Note 7 of the Financial Statements.

## **SUBSIDIARIES:**

Your Company has 2 subsidiaries, details of which are given below:

### ➤ **Vanta Clinical Research Limited (VCRL)**

VCRL was incorporated as a Wholly Owned Subsidiary of Vanta Bioscience Limited on September 12, 2018 with the object of dealing in the business of Research & Development in the field of discovery and development of drugs, biologicals, vaccines, gene-based therapies in vitro, ex-vivo and in vivo techniques for screening and evaluation of drugs, dermaticals and cosmetics, clinical data management, statistical analysis, pharmacovigilance, medical writing, bio informatics, computer-aided drug designing, biotechnology, life sciences, diagnostic services and such other similar activities.

The paid up capital of VCRL as on March 31, 2020 was Rs. 3,00,00,000/-. The total revenue earned during the year was Rs. 4,53,307/- as against a total expenditure of Rs. 3,70,083/-. The Profit after tax was Rs. 14,784/-.

VCRL is a 100% subsidiary of our Company and has contributed an amount of Rs. 14,784/- to the overall performance of the Company.

### ➤ **Vayam Research Solutions Limited (VRSL)**

VRSL was incorporated as a 51% Subsidiary of VCRL on October 10, 2018 with the object of carrying business of providing research and development, full range of clinical studies in the areas of pharmaceuticals industry, agro, chemical, food cosmetics and medical devices. Accordingly, VRSL is a step down subsidiary of Vanta Bioscience Limited.

During the year under review, the holding of the Company was increased from 51% to 75.38% pursuant to allotment of 19,80,000 equity shares of Rs. 10/- by means of a rights issue.

The paid up capital of VRSL as on March 31, 2020 was Rs. 3,98,00,000/-. The total revenue earned during the year was Rs. 49,01,000/- as against a total expenditure of Rs. 44,56,474/-.

The Profit after tax was Rs. 3,33,774/-.

VRSL is a step down subsidiary of our Company and has contributed an amount of Rs. 2,51,599/- to the overall performance of the Company.

The statement containing the salient features of the subsidiaries as per sub-sections (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014 of the Companies Act 2013 in Form AOC-1 is herewith annexed as **Annexure- I** to this report.

The Annual Report of the Company, containing therein its standalone and the consolidated financial statements has been placed on the website of the Company [www.vantabio.com](http://www.vantabio.com). Further,

audited annual accounts of each of the subsidiary companies have also been placed on the website of the Company. Shareholders interested in obtaining a physical copy of the audited annual accounts of the subsidiary companies may write to the Company Secretary requesting for the same.

There were no associates or joint ventures of the Company as on the end of financial year March 31, 2020. There were no companies which have ceased to be our subsidiaries, joint ventures or associate companies during the financial year 2019-20.

### **DETAILS OF DIRECTORS**

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. Mohan Krishna Mulakala (DIN: 01448535), Director of the Company is liable to retire by rotation, being eligible offers himself for re-appointment.

During the year under review, the following changes took place:

<b>Name of Director</b>	<b>Type of change</b>	<b>With effect from</b>
Dr. Yogeswara Rao Danda (DIN: 00694803)	Appointed as Additional Director (Independent)	May 22, 2019
Dr. Jang Bahadur Gupta (DIN 07751205)	Resigned as Independent Director of the Company	May 22, 2019
Dr. Yogeswara Rao Danda (DIN: 00694803)	Regularized as Director (Independent) for a period of 5 years in the 3rd AGM	September 27, 2019
Mr. Dopesh Raja Mulakala (DIN: 01176660)	Re-appointed as Managing Director of the Company for a period of 3 years subject to approval of the shareholders in the Board Meeting held on March 10, 2020	April 18, 2020
Dr. Vyas MurtiMadhavraoShingeteri (DIN: 07728757)	Re-appointed as Whole Time Director of the Company for a period of 3 years subject to approval of the shareholders in the Board Meeting held on March 10, 2020	April 1, 2020

Apart from above, there were no changes that took place on the Board of the Company.

### **INDEPENDENT DIRECTORS**

The Independent Directors of the Company have given the declaration and confirmation to the Company as required under Section 149(7) of the Companies Act, 2013 and Regulation 25(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 confirming that they meet the criteria of independence and that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

Dr. Yogeswara Rao Danda (DIN: 00694803) was appointed as Independent Director of the Company during the year under review. The Board is of the opinion that he holds the requisite integrity, expertise, proficiency and experience as Independent Director of the Company. Dr. Yogeswara Rao Danda (DIN: 00694803) and the other independent directors shall complete the online proficiency self-assessment test with in the time line as prescribed under the Act.

#### **DETAILS OF KEY MANAGERIAL PERSONNELS**

Mr. Dopesh Raja Mulakala, Managing Director (DIN: 01176660), Mr. SadhanalaVenkata Rao, CEO & Whole Time Director (DIN: 02906370), Dr. VyasmurtiMadhavraoShingatgeri, Whole Time Director (DIN: 07728757) Mr. Kiran Kumar Annabatula, Chief Financial Officer and Mr. Zoheb Sultan Ali Sayani, Company Secretary are Key Managerial Personnels of the Company.

There were no other appointments or resignations of Key Managerial Personnels during the year under review.

#### **MEETINGS OF THE BOARD AND COMMITTEES**

During the year under review, Five (5) Board Meetings, Four (4) Audit Committee meetings, three (3) Nomination and Remuneration Committees and two (2) Stakeholders Relationship Committee meeting were held.

The Board and committee meetings of the Company were held in compliance with all the applicable provisions of the Companies Act, 2013, SEBI (LODR) Regulations, 2015 and the secretarial standards.

#### **BOARD EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board evaluated the effectiveness of its functioning and that of the Committees and of individual directors by seeking their inputs on various aspects of Board/ Committee Governance.

The aspects covered in the evaluation included the contribution to and monitoring of corporate governance practices, participation in the long-term strategic planning and the fulfilment of Directors' obligations and fiduciary responsibilities, including but not limited to, active participation at the Board and Committee meetings. The Chairman of the Board had one-on-one meetings with the Independent Directors. These meetings were intended to obtain Directors' inputs on effectiveness of Board/ Committee processes. Further, the Independent Directors at their meeting, reviewed the performance of Board, Chairman of the Board and of Non-Executive Directors.

#### **STATUTORY AUDITORS**

M/s. Mathesh&Ramana, Chartered Accountants (FRN 002020S) were appointed as the statutory auditors of the Company by the members in their 2<sup>nd</sup> AGM held on August 21, 2018 for a period of 5 years from the conclusion of the 2<sup>nd</sup> Annual General Meeting of the Company held on August 21, 2018 till the conclusion of 7<sup>th</sup> Annual General Meeting.

Accordingly, the said auditors have carried out the audit for FY 2019-20.

## **AUDITORS' REPORT**

The Auditors' Report does not contain any qualifications, observations or remarks. Notes to Accounts and Auditors remarks in their report are self-explanatory and do not call for any further comments.

There were no frauds reported by the Statutory Auditors of the Company during the year under review.

## **SECRETARIAL AUDIT REPORT**

Tapasvilal Deora & Associates, Practicing Company Secretary were appointed to conduct the secretarial audit of the Company for the financial year 2019-20, as required under Section 204 of the Companies Act, 2013 and rules there-under. The secretarial audit report for FY 2019-20 forms part of this Annual Report as **Annexure – II**.

There are no other observations, qualifications or remarks in the report and is self-explanatory and do not call for any further comments.

## **CHANGES IN THE AUTHORIZED AND PAID UP CAPITAL**

The Authorized Share Capital of the Company is Rs. 7,50,00,000/- (Rupees Seven Crore and Fifty Lakhs only) and the the paid up capital of the Company as at the end of the financial year was Rs.6,31,20,000/- (Rupees Six Crore Thirty-One Lakh and Twenty Thousand Only) comprising of 63,12,000 (Sixty-Three Lakh and Twelve Thousand) equity shares of Rs. 10/- (Rupees Ten Only) each.

During the year under review, there was no change in the authorized and paid up share capital of the Company.

## **UTILIZATION OF PROCEEDS FROM PREFERENTIAL ISSUE.**

The Company had issued 5,84,000 equity shares of Rs. 10/- each at a premium of Rs. 75/-on preferential basis in FY 2018-19. The same has been fully utilized for the purposes it was raised and as mentioned in the explanatory statement to the notice of extra ordinary general meeting held on September 29, 2018 . The utilization schedule is given below

	<b>(Amount In Lakhs)</b>
<b>Proceeds from Preferential Allotment</b>	<b>496.40</b>
<b>Utilization</b>	
Investment in Subsidiary	343.00
General Corporate & Working Capital	123.40
Issue Expenses	25.00
Balance –Investment in liquid funds	5.00
<b>Total</b>	<b>496.40</b>

### **AUDIT COMMITTEE**

The Company has a duly constituted Audit Committee. The Audit Committee comprises of:

<b>Name of Director</b>	<b>Status in Committee</b>	<b>Nature of Directorship</b>
Dr. Padmanabhuni Venkata Appaji	Chairman	Independent Director
Dr.Yogeswara Rao Danda	Member	Independent Director
Mr. Dopesha Raja Mulakala	Member	Managing Director

The Committee inter alia reviews the Internal Control System, Reports of Internal Auditors and Compliance of various regulations and all other matters as required under the Companies Act and SEBI (LODR) Regulations. The Committee also reviews the financial statements before they are placed before the Board. The Board of Directors of the Company have accepted all the recommendations given by the Audit Committee.

### **STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The Company has a duly constituted Stakeholders Relationship Committee. The Stakeholders' Relationship Committee comprises of:

<b>Name of Director</b>	<b>Status in Committee</b>	<b>Nature of Directorship</b>
Dr. Padmanabhuni Venkata Appaji	Chairman	Independent Director
Dr.Yogeswara Rao Danda	Member	Independent Director
Mr. Dopesha Raja Mulakala	Member	Managing Director

### **NOMINATION AND REMUNERATION POLICY**

A committee of the Board has been formed which is named as "Nomination and Remuneration Committee" which has been entrusted with the task to recommend a policy of the Company on Directors' appointment and remuneration, including criteria for determining qualifications, positive attributes, independence of a Director and other matters and to frame proper systems for identification, appointment of Directors & KMPs, Payment of Remuneration to them and evaluation of their performance and to recommend the same to the Board from time to time. Nomination and Remuneration Policy of the Company is enclosed herewith as **Annexure - III**.

The Nomination and Remuneration Committee include the following:

<b>Name of Director</b>	<b>Status in Committee</b>	<b>Nature of Directorship</b>
Dr.Yogeswara Rao Danda	Chairman	Independent Director
Dr. Padmanabhuni Venkata Appaji	Member	Independent Director
Dr. Kathyayani Gonuguntla	Member	Independent Director

### **CORPORATE SOCIAL RESPONSIBILITY**

The provisions of Section 135 of the Companies Act, 2013 in connection with corporate social responsibility are not applicable to the Company.

### **VIGIL MECHANISM**

Pursuant to the provisions of Section 177(9) & (10) of the Companies Act, 2013 and the applicable SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Vigil Mechanism or Whistle-Blower Policy for directors, employees and other stakeholders to report genuine concerns has been established. The same is also uploaded on the website of the Company – www.vantabio.com

### **RISK MANAGEMENT POLICY**

The Risk Management is overseen by the Audit Committee of the Company on a continuous basis. The Committee oversees Company's process and policies for determining risk tolerance and review management's measurement and comparison of overall risk tolerance to established levels. There are no material risks which threaten the very existence of the company.

### **INTERNAL FINANCIAL CONTROLS**

The Company has adequate internal financial controls which commensurate with the size of the business of the Company.

The Board had appointed M/s. K B S & Associates., Chartered Accountants (FRN 011208S) as the Internal Auditors of the Company for conducting the Internal Audit of the Company upto FY 2019-20. Accordingly, the said auditors have carried out the internal audit for FY 2019-20. There were no observations or remarks reported by the said auditors of the Company during the year under review.

### **DIRECTORS RESPONSIBILITY STATEMENT**

Pursuant to Section 134 (5) of the Companies Act, 2013 Your Directors' confirm that:

- i. in preparation of annual accounts for the financial year ended March 31, 2020 the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year ended March 31, 2020 and of the profit and loss of the Company for the year;
- iii. the Directors have taken proper and sufficient care for their maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the Directors had prepared the annual accounts on a going concern basis;
- v. the Directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- vi. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE OUTGO**

Information required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is enclosed herewith as **Annexure-IV**.

## **ANNUAL RETURN**

The details forming part of the extract of the Annual Return in Form MGT-9 is being uploaded on the website of the Company and thus is not being annexed to this Annual Return. The link of the same is <https://www.vantabio.com/investor-relations/>

Further, Form MGT 7 - the annual return of the Company for FY 2019-20 shall also be uploaded on the website of the Company as soon as it is filed with the Registrar of Companies. The link of the same is <https://www.vantabio.com/investor-relations/>

## **PARTICULARS OF EMPLOYEES**

Pursuant to Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, during the financial year no employee was in receipt of remuneration of Rs. 1.02 Crore or more, or where employed for part of the year was in receipt of Rs. 8.5 Lakh or more a month.

Disclosure under Rule 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 is enclosed as **Annexure – V**.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

The Management Discussion and Analysis Report as required under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is enclosed as **Annexure - VI** to this report.

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

The loans, investment and gurantees provided by the Company during the year has not exceeded the limit approved by the shareholders in accordance with Section 186 of the Companies Act, 2013.

The Company has invested in its Wholly Owned Subsidiary – Vanta Clinical Research Limited. Details of the same are disclosed in Note 12 of the financial statements.

## **LISTING ON SME PLATFORM OF BSE**

The equity shares of the Company are listed on the SME Platform of BSE Ltd. The Company confirms that the annual listing fees to the stock exchanges for the financial year 2020-21 have been paid.

## **COST RECORDS**

The provisions of cost records as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 are not applicable to the Company.

## **RELATED PARTY TRANSACTIONS**

There were no materially significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company. All related party transactions entered by the Company under Section



188 of the Companies Act, 2013 are at arm's length and in the ordinary course of business. These related party transactions have been entered considering the business requirements, administrative convenience and in the best interest of the Company.

The Company has entered into any transactions with person or entity belonging to the promoter/promoter group which holds 10% or more shareholding in our Company. Details of the same are disclosed in Note 32 of the financial statements.

#### **DISCLOSURE OF RELATED PARTY TRANSACTIONS WITH SUBSIDIARIES**

The Company has invested an amount of Rs. 3,00,00,000/- (Rupees Three Crore Only) towards subscription to the equity shares of its Wholly owned subsidiary - Vanta Clinical Research Limited. Further, the Company has also entered business transactions with both its subsidiaries- Vanta Clinical Research Limited and Vayam Research Solutions Limited

Details of all related party transactions with the subsidiary companies are disclosed in Note 32 of the financial statements.

#### **GENERAL**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
3. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
4. No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year and date of report.
5. No change in the nature of business of the Company.

The Company has complied with all the provisions of the secretarial standards as applicable to the Company.

The Company being listed on SME Exchange. Para C, D and E of Schedule V of SEBI (LODR) Regulations, 2015 in connection with disclosures in the annual report are not applicable to the Company.

#### **INSIDER TRADING REGULATIONS**

Based on the requirements under SEBI (Prohibition of Insider Trading) Regulations, 1992 read with SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, the code of conduct for prevention of insider trading and the Code for Corporate Disclosures ("Code"), as approved by the Board from time to time, are in force by the Company. The objective of this Code is to protect the interest of shareholders at large, to prevent misuse of any price sensitive information and to prevent any insider trading activity by dealing in shares of the Company by its Directors, designated employees and other employees.

The Company also adopts the concept of Trading Window Closure, to prevent its Directors, Officers, designated employees and other employees from trading in the securities of Vanta Bioscience Limited at the time when there is unpublished price sensitive information.

#### **POLICY ON PRESERVATION OF THE DOCUMENTS**

The Company has formulated a Policy pursuant to Regulation 9 of the Securities Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 (“Regulations”) on Preservation of the Documents to ensure safe keeping of the records and safeguard the Documents from getting manhandled, while at the same time avoiding superfluous inventory of Documents.

#### **OBLIGATION OF THE COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

In order to prevent Sexual Harassment of Women at Workplace a new act “The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013” has been notified on 9th December, 2013. The company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has adopted “Anti-Sexual Harassment Policy” constituted “Redressal Committee” as required under section 4 (1) of Sexual harassment of Women at work place (Prevention, Prohibition and Redressal) Act, 2013.

During the year under review, there were no cases filed/registered pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

#### **ACKNOWLEDGEMENT**

Your Directors place on record their appreciation of the continued patronage extended to the Company by bankers, dealers, customers, suppliers, employees and shareholders. The trust reposed in your Company by its esteemed customers helped stabilized growth during the year review.

Your Company also acknowledges the support and guidance received from its Bankers, other government agencies during the year under review and look forward to continuing support.

**For and on behalf of the Board**

**Dopesh Raja Mulakala**

**SadhanalaVenkata Rao**

**Managing Director**

**CEO & Whole Time Director**

**September 02, 2020**

**DIN: 01176660**

**DIN: 02906370**

**Secunderabad**

## Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**

**Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Details	
		1	2
1.	Sl. No.	1	2
2.	Name of the subsidiary	Vanta Clinical Research Limited	Vayam Research Solutions Limited
3.	The date since when subsidiary was acquired	September 12, 2018	October 10, 2018
4.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	April 1, 2019 to March 31, 2020	April 1, 2019 to March 31, 2020
5.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	INR
6.	Share capital	3,00,00,000	3,98,00,000
7.	Reserves & surplus	27,515	3,62,172
8.	Total assets	3,71,19,537	11,07,17,695
9.	Total Liabilities	3,71,19,537	11,07,17,695
10.	Investments	3,00,00,000	-
11.	Turnover	-	49,01,000
12.	Profit before taxation	83,224	4,55,104
13.	Provision for taxation	68,440	1,21,330
14.	Profit after taxation	14,784	3,33,774
15.	Proposed Dividend	-	-
16.	Extent of shareholding (In percentage)	100.00%	75.38%

\*Vanta Clinical Research Limited (WOS of Vanta Bioscience Limited) holds 75.38% in Vayam Research Solutions Limited. Accordingly, Vayam Research Solutions Limited is a step down subsidiary of Vanta Bioscience Limited

**Notes:** The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations: **NA**
- Names of subsidiaries which have been liquidated or sold during the year: **NA**

**Part "B": Associates and Joint Ventures – Not Applicable as there are no associates and joint ventures**

1. Names of associates or joint ventures which are yet to commence operations: **NA**
2. Names of associates or joint ventures which have been liquidated or sold during the year: **NA**

for **Mathesh&Ramana**  
Chartered Accountants

**(M. Dopesh Raja)**  
**Managing Director**  
**DIN: 01176660**

**(S. Venkat Rao)**  
**Whole Time Director and CEO**  
**DIN: 02906370**

**B. V. Ramana Reddy**  
**M. No. 026967**  
**Partner**

**(A. Kiran Kumar)**  
**CFO**

**(Zoheb S Sayani)**  
**Company Secretary**  
**M. No. A32277**

**Secunderabad**  
**June 30, 2020**

**SECRETARIAL AUDIT REPORT**  
FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2020  
(Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014)

**To**  
**The Members**  
**VANTA BIOSCIENCE LIMITED**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Vanta Bioscience Limited bearing CIN: L74999TG2016PLC109280 (hereinafter called the “**Company**”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit and as per the explanations given to me and the representations made by the Management, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records made available to me and maintained by the Company for the financial year ended on March 31, 2020 according to the applicable provisions of:

- i. The Companies Act, 1956 and the Companies Act, 2013 (‘the Act’) and the rules made there under;
- ii. The Securities Contract (Regulation) Act, 1956 (‘SCRA’) and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not Applicable during the audit period)
  - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not Applicable during the audit period)
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable during the audit period)
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealings with client;

- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable during the audit period)
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not Applicable during the audit period) and
  - i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereof
- vi. Other Laws specifically applicable to the Company:
- a. Pharmacy Act, 1948
  - b. Bio-Medical Waste (Management and Handling) Rules, 1998
  - c. Legal Metrology Act, 2009;
  - d. Prevention of Cruelty to Animals Act, 1960 and the Breeding of and Experiments on Animals (Control and Supervision) Rules, 1998
  - e. Guidelines for care and use of animals in scientific research
  - f. Good Laboratory Practices
  - g. Water (Prevention and Control of Pollution) Act, 1974
  - h. Water (Prevention and Control of Pollution) Cess Act, 1977
  - i. Air (Prevention and Control of Pollution) Act, 1981
  - j. Environment (Protection) Act, 1986
  - k. The Public Liability Insurance Act, 1991
  - l. The Biodiversity Act, 2002
  - m. Hazardous Wastes (Management and Handling) Rules, 1989
  - n. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008
  - o. Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989;
  - p. Explosives Act, 1884.
  - q. Explosives Rules, 2008.

I have also examined compliance with the Secretarial Standards issued by the Institute of Company Secretaries of India and the Listing Regulations as applicable to the Company.

The compliance of the above laws is based on the Compliance Certificate issued by the CEO and Whole Time Director of the Company and submitted to the Board of Directors of the Company. During the Audit Period under review and as per the explanation and clarifications given to me and the representations made by the Management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

I further report that, during the year under review:

- a) The Company had filed certain forms after the due date by payment of additional fee.
- b) The compliance by the Company of applicable financial laws, like direct and indirect tax laws, have not been reviewed in this Audit since the same has been subject to review by statutory financial audit and other designated professionals;

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non -Executive Directors and Independent Directors. The composition of the Board of Directors are in compliance with the provisions of the Act.

Adequate notice was given to all Directors at least seven days in advance to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the

meeting and for meaningful participation at the meeting. Whenever required, the Board has also met with a notice shorter than seven days.

Decisions at the Board Meetings, as represented by the management, were taken by majority and recorded as part of the minutes.

As per the explanations given to me and the representations made by the Management and relied upon by me, I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**for Tapasvilal Deora & Associates**  
*Practising Company Secretaries*

**Tapasvilal Deora**  
**M. No.: F9813**  
**C.P. No.: 13087**  
**UDIN: F009813B000652499**

September 02, 2020  
Hyderabad

This Report is to be read with my letter of even date which is annexed as Annexure A and forms an integral part of this report.

**Encl:**  
Annexure A

**To  
The Members  
VANTA BIOSCIENCE LIMITED**

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. Owing to the lockdown measures imposed across the country on account of COVID-19 pandemic and the cascading impact thereof, for certain verifications and cross checks, I have relied on the management representations and assurances, wherever required, for forming our opinion and eventual reporting.
7. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**for Tapasvilal Deora & Associates**  
*Practising Company Secretaries*

**Tapasvilal Deora**  
**M. No.: F9813**  
**C.P. No.: 13087**  
**UDIN: F009813B000652499**

September 02, 2020  
Hyderabad



## Remuneration Policy for Directors, Key managerial Personnel and Other Employees

### 1. INTRODUCTION:

- 1.1 **VANTA BIOSCIENCE LIMITED** (“VBS”) recognizes the importance of aligning the business objectives with specific and measureable individual objectives and targets. The Company has therefore formulated the remuneration policy for its directors, key managerial personnel and other employees keeping in view the following objectives:
- 1.1.1 Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate, to run the company successfully.
- 1.1.2 Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.
- 1.1.3 Ensuring that remuneration involves a balance between fixed and incentives pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

### 2. SCOPE AND EXCLUSION:

- 2.1 This Policy sets out the guiding principles for the Nomination and Remuneration Committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the Company.

### 3. TERMS AND REFERENCES:

In this Policy, the following terms shall have the following meanings:

- 3.1 “**Director**” means a director appointed to the Board of a Company.
- 3.2 “**Key Managerial Personnel**” means
- i. the Chief Executive Officer or the managing director or the manager;
  - ii. the company secretary;
  - iii. the whole-time director;
  - iv. the Chief Financial Officer; and
  - v. such other officer as may be prescribed under the Companies Act, 2013
- 3.3 “**Nomination and Remuneration Committee**” means the committee constituted by VBS’s Board in accordance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations.

### 4. POLICY:

#### 4.1 Remuneration to Executive Directors and Key Managerial Personnel

- 4.1.1 The Board, on the recommendation of the Nomination and Remuneration (NAR) Committee, shall review and approve the remuneration payable to the Executive Directors of the Company within the overall limits approved by the shareholders.

- 4.1.2 The Board, on the recommendation of the Committee, shall also review and approve the remuneration payable to the Key Managerial Personnel of the Company.
- 4.1.3 The Annual Plan and Objectives for Executive Directors and Senior Executives (Management Committee) shall be reviewed by the Committee as the case may be and Annual Performance Bonus will be approved by the Committee based on the achievements against the Annual Plan and Objectives as may be decided by the Committee.

#### **4.2 Remuneration to Non-Executive Directors**

- 4.2.1 The Board, on the recommendation of the Committee, shall review and approve the remuneration payable to the Non-Executive Directors of the Company within the overall limits approved by the shareholders and in accordance with the provisions of the Companies Act and Listing Regulations.
- 4.2.2 Non-Executive Directors shall be entitled to sitting fees for attending the meetings of the Board and the Committees thereof.

#### **4.3 Remuneration to other employees**

- 4.3.1 Employees shall be assigned grades according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organization. Individual remuneration shall be determined within the appropriate grade and shall be based on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs.

#### **5. Secretary**

The Company Secretary of the Company shall act as Secretary of the NR Committee.

**STATEMENT PURSUANT TO SECTION 134(3)(M) OF THE COMPANIES ACT, 2013 READ WITH  
RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014**

**(A) Conservation of energy-**

- (i) the steps taken or impact on conservation of energy: Nil  
(ii) the steps taken by the company for utilizing alternate sources of energy: Nil  
(iii) the capital investment on energy conservation equipments: Nil

**(B) Technology absorption-**

- (i) the efforts made towards technology absorption: Nil  
(ii) the benefits derived like product improvement, cost reduction, product development or import substitution: Nil  
(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-  
(a) the details of technology imported: Nil  
(b) the year of import: Nil  
(c) whether the technology been fully absorbed: Nil  
(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Nil  
(iv) the expenditure incurred on Research and Development: Nil

**(C) Foreign exchange earnings and Outgo-**

The Foreign Exchange earned in terms of actual inflows during the year: Rs. 6,87,01,650/-

The Foreign Exchange outgo during the year in terms of actual outflows:

S. No.	Particulars	Amount (Rs.)
1	Value of Imports	10,28,821
2	Expenditure in foreign currency	23,57,210
	<b>Total</b>	<b>33,86,031</b>

*During the year, there was a foreign exchange gain of Rs.8,60,928/-to the Company.*

**For and on behalf of the Board**

**Dopesh Raja Mulakala**

**Managing Director**

**DIN: 01176660**

**SadhanalaVenkata Rao**

**CEO & Whole Time Director**

**DIN: 02906370**

**September 02, 2020**

**Secunderabad**

**Disclosures under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

- i. The ratio of the remuneration of each director to the median remuneration of the employees of the company –  
(Amount in Rs.)

S.No.	Name of Director	Remuneration	Median Employee Salary	Ratio
1	Mr. Mulakala Dopesh Raja	30,00,000	3,06,024	9.80:1
2	Mr. Mulakala Mohan Krishna	NIL	NIL	NIL
3	Dr. Padmanabhuni Venkata Appaji	NIL	NIL	NIL
4	Mr. SadhanalaVenkata Rao	60,00,000	3,06,024	19.60:1
5	Dr. VyasmurthiMadhavraoShingatgeri	24,00,000	3,06,024	7.84:1
6	Dr. Yogeswara Rao Danda	NIL	NIL	NIL
7	Dr. Gonuguntla Kathyayani	NIL	NIL	NIL

- ii. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive officer, Company Secretary or manager, if any, in the Financial Year:

There was no percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer and Company Secretary during the Financial Year.

Details of appointments, change in designation & remuneration of all the Directors are mentioned in the Board's Report and MGT-9.

- iii. The percentage increase in the median remuneration of the employees in the financial year: 2.94%

- iv. There were 56 Permanent employees on the rolls of the Company, as on March 31, 2020.

- v. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

Average percentile decrease for Non Managerial Personnel was 16.24% during the last Financial Year.

There was no percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer and Company Secretary during the Financial Year.

Details of appointments, change in designation & remuneration of all the Directors are mentioned in the Board's Report and MGT-9.

- vi. The key parameters of any variable component of remuneration availed by the directors; 50% of total salary is variable component which will be paid after successful completion of the KRA's fixed by the company for Mr. SadhanalaVenkata Rao, CEO & WTD.

- vii. Affirmation that the remuneration is as per the remuneration policy of the Company. The remuneration paid to Directors is as per the remuneration policy of the Company.

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

### **MANAGEMENT DISCUSSION AND ANALYSIS**

The Management Discussion and Analysis given below covers the key issues concerning the business carried on by the Company with respect to Industry Overview, Outlook, Trends, Opportunities, Threats & Risks.

#### **Industry Structure and Developments:**

##### **An Overview of the company**

Vanta Bioscience Limited (“Vanta or Company”) is an emerging, full service preclinical contract research organization, operating out of Chennai, India. Vanta is established as a center of excellence for GLP toxicology and safety assessment.

##### **Industrial Overview**

Indian economy is one of the largest and fastest growing economies in the world. The Food & Agri industry is among the top three sectors in India that propel the Indian economy, which is predicted to experience further robust growth in the coming years. The pharmaceutical industry too is one of the primary economic drivers in India which currently is facing headwinds due to increased regulatory scrutiny and a slowdown in the US and a few other leading pharmaceutical markets globally. However undeterred, the Indian pharmaceutical industry shows a trend of increased spending on outsourcing compliance related testing needs and also an increased R&D spending to develop new drugs. Whether it be the increasing focus on food safety and quality in the country, driven by FSSAI and quality conscious manufacturers and customers, or the regulatory challenges being faced by the Indian pharmaceutical industry, these trends create huge opportunities for food and pharmaceuticals testing and research services (both routine and sophisticated). Like in any business, these opportunities come along with challenges such as increased competition from more local and global players and insufficient number of skilled and trained human resources. Added to this is the unlevel playing field amongst the competition in terms of quality of services and the perceived value of the same by the customers. Healthcare spending is globally high, more now than ever, due to an increasing demand for more and newer medicines in emerging economies. Globally, the pharmaceutical industry continues to be under pressure to get more out of every dollar spent on new product development, and reduce the time between the concept to the product. Given the slow and low returns on investments, the companies look to focus more and more on specialty healthcare segments and products. Therefore, there is an increased demand for cost effective and quick R&D and manufacturing processes. Although India doesn't currently seem to be among the most preferred destination for outsourcing new R&D activities, the cost efficiencies it can deliver to the global pharmaceutical industry is undeniable.

##### **Outlook:**

Our Company's activities are guided by the principles of quality services, safety of its employees and business prudence. The Company would put all its efforts to achieve good results within its ambit. The Company regularly focuses on increasing productivity and efficiency, cutting expenses, innovating services and profitable streams of Business. The Company endeavors to use its resources optimally and work persistently towards its set goals.

##### **Internal Control System and their adequacy:**

The Company has a well-defined internal control system that is adequate and commensurate with the size and nature of its business. Internal Audit department is put in place and adequate internal controls are established to ensure that all assets are safeguarded and protected against

any loss from unauthorized use or disposition and all the transactions are authorized, recorded and reported correctly. ERP based controls are in place.

**Opportunities:**

**The following are the opportunities:**

- Our Company has also entered into exclusive tie ups to expand its business in the pre-clinical services sector in Greater China. The Company has also entered into non-exclusive agreements to cover the markets of Latin America (LATAM) and Asia Pacific (APAC) for Chemical and Agrochemical business.
- Strengthening FSSAI's oversight on food safety and quality.
- Global regulatory bodies' emphasis on GLP, NABL, MHRL etc., compliance.
- Indian Health care sector, one of the fastest growing industry, is expected to advance at a CAGR of 22.87% during 2015-20 to reach \$ 280 billion.
- Indian pharmaceuticals market is estimated to reach around \$30 billion in 2015. The pharmaceutical's industry is expected to expand at a CAGR of 12.89 % over 2015-20 to reach \$ 55 billion.
- The number of ANDA approvals granted by US FDA increased from 109 in FY 15 to 201 in FY 16 to the Indian companies.

**Threats:**

**The following are the threats:**

- Facilities are subject to client inspections and quality audits and any failure to meet their expectations or to comply with the quality standards set out in contractual arrangements, could result in the termination of contracts and adversely affects business, results of operations, financial condition and cash flows.
- Significant disruptions of information technology systems or breaches of data security.
- Foreign exchange risks that could adversely affect results of operations.
- Political, economic or other factors that are beyond control may have an adverse effect on business and results of operations.
- Changing laws, rules and regulations and legal uncertainties in India, including adverse application of corporate and tax laws.

**Challenges, Risks and Concerns:**

Risks are inherent to any business. The opportunities compound challenges and vice versa. Risks are managed by your Company through a risk management process of risk identification, risk mitigation through risk reduction strategies & plans and continuous monitoring of the effectiveness of the risk mitigation measures to control them. Your company continues to strive to stay ahead on the competition curve through creation of new service opportunities, and its uncompromising commitment to quality, regulatory compliance and customer service.

**Discussion on Financial Performance with respect to Operational Performance:**

**Key Performance indicators for the year under review is as follows:**

Debtors Turnover	52 Days
Inventory Turnover	186 Days
Interest Coverage	1.66
Current Ratio	2.45
Debt Equity	0.44
Operating Profit Margin	13.69
Net Profit Margin	0.10
Return on Net Worth	4.17

## **Accounting Treatment and Financial Performance**

The financial statements are prepared in compliance to the Accounting Standards as laid down under the provisions of section 133 of the Companies Act, 2013.

The financial statements are prepared in compliance to the Accounting Standards as laid down under the provisions of section 133 of the Companies Act, 2013. Gross revenue for the year 2019-20 is Rs. 1422.19 Lakhs as compared to Gross revenue for the year 2018-19 which was Rs. 1265.37 Lakhs and the Net profit for the year 2019-20 stood at Rs. 97.80 lakhs as compared to the Net profit for the year 2018-19 which was Rs. 69.38 lakhs.

## **Segment-wise or Product-wise Performance**

The Company is providing services of Testing and Contract Research in the fields of Clinical Research, Pre-Clinical Research, Biopharma services, Analytical Testing & Research and Environmental studies. Since the inherent nature of all these services are inter related and governed by similar set of risks and returns and operating in the same economic environment, segment reporting is not applicable. Accordingly, for reporting purposes, all these services are treated as single business and geographical segment. The said treatment is in accordance with Accounting Standard-17 Segment Reporting.

## **Human Resources Development and Industrial Relations:**

At Vanta, we believe that people embody our most fundamental asset. It is our endeavor to offer a fair, transparent and merit-based working environment, which promotes constant learning, individual and organizational development. Human Resource is one of the key strength of the Company. At the end of the financial year 31.03.2020, the Company had 56 employees. The dedication and expertise of our team has helped us chart a steady growth path.

## **Cautionary Statement:**

Statements in this Management Discussion and Analysis describing the Company's objective, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Certain observations made on the industry and other players also reflect on opinion by the management and the management accepts no liability on such opinions. Actual results might differ materially from those either expressed or implied.

## INDEPENDENT AUDITOR'S REPORT

### To the Members of Vanta Bioscience Limited Report on the Audit of the Standalone Financial Statements

#### Opinion:

We have audited the Standalone Financial Statements of Vanta Bioscience Limited which comprise the Balance Sheet as at 31st March 2020, the Statement of Profit and Loss, Statement of changes in Equity, Statement of Cash Flows for the year then ended, and Notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2020;
- b) In the case of the Statement of Profit and Loss Account, of the profit for the period ended on that date and
- c) In the case of the Statement of Cash Flow, of the cash flows, for the period ended on that date.

#### Basis for Opinion:

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters:

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the 'Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

#### Impact of COVID-19 on the Company's financial statements

Key Audit Matters	How our audit addressed the key audit matter
Corona Virus Disease 2019 ('COVID-19'), was declared a global pandemic by World Health Organisation.  In line with the directions on lockdown issued by the Central Government and State Governments, the Company temporarily	We have performed the following procedures to assess and evaluate the impact on financial statements because of business decisions, government actions or economic environment developments: Performed cut-off procedures for a larger sample of invoices during the lockdown period



suspended the operations of its units and offices from 23 March 2020 till 31 March 2020; and subsequently upto further dates as instructed by the respective Governments.

COVID-19 has resulted in restriction in movement of goods and persons during the period from 23 March 2020 till 31 March 2020 impacting normal business operations for the Company including revenues, receivables, purchases, services and inventories at the year-end and hence considered key audit matter.

for both domestic as well as export sales.

Enquired with the Company on any information on the liquidity position of any debtors; and ascertained the need for any additional provisioning for impairment/credit loss in the financial statements.

We assessed the disclosures on COVID-19 made in the financial statements.

Our ability to perform regular audit procedures has been impacted which has required us in certain cases to perform alternative audit procedures and exercise significant judgment in respect of the following:

a) Audit and quality control procedures which were earlier performed in person could not be performed; and hence alternative procedures have been performed based on inquiries (through phone calls, video calls and e-mail communications) and review of scanned documentation sent through e-mails, followed up with sighting with original documents.

b) Year-end inventory observation of inventory counts could not be performed. However, inventory counts were observed subsequent to year-end; and rolled back to year-end.

During the year, the Company acquired 10,00,000 shares at an issue price of Rs.10 per share of Vanta Clinical Research Limited. Vanta Clinical Research Limited is a wholly owned subsidiary Company of Vanta Bioscience Limited. The investment is shown at cost in the Balance sheet of Vanta Bioscience Limited.

**Emphasis of Matter:**

We draw attention to Note No. 44 of the financial statements, which describes the extent to which the COVID-19 Pandemic will impact the Company's results which depend on future developments that are highly uncertain. Our opinion is not modified in respect of this matter.

**Information Other than the Standalone 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 Directors' Report and the Annexures thereto, but does not include the Standalone Financial Statements and our Auditor's Report thereon. The Directors Report is expected to be made available to us after the date of this Auditor's Report.

Our opinion on the Standalone Financial Statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the Directors' Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and describe actions applicable in the applicable laws and regulations.

**Management's Responsibility for the Standalone Financial Statements:**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally

accepted in India, including the Accounting Standards specified under Section 133 of the Act. 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 implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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 Standalone 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 Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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 Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements

represent the underlying transactions and events in a manner that achieves fair presentation.

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

**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 and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanation given to us, we give "Annexure-A" a statement on the matters specified in the paragraphs 3 and 4 of the Order to the extent applicable to the company.
- 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 Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) In our opinion and to the best of our information and according to the explanations given to us, we are of the opinion that the company has adequate internal financial controls system in place and the operating effectiveness of such controls. Refer to our separate report in "Annexure - B".
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i) The Company does not have any pending litigations which would impact its financial position.
    - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii) There were no such amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. There has been no delay in transferring to the Investor Education and Protection Fund by the Company.
- 3) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Directors during the year is in accordance with the provisions of Section 197 read with Schedule V to the Act and is not in excess of the limit laid down under this Section and Schedule V of the Act.

For MATHESH & RAMANA  
CHARTERED ACCOUNTANTS

Place: Hyderabad  
Date: 30.06.2020  
UID: 20026967AAAADS6114

B. V. RAMANA REDDY  
Partner  
M. No. 026967

**ANNEXURE-A TO INDEPENDENT AUDITOR'S REPORT**

Re: VANTA BIOSCIENCE LIMITED

Referred to in Paragraph 1 under section (Report on other Legal and Regulatory Requirements of our Report of even date)

- (i)
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
  
- (ii)
  - (a) The Management has conducted physical verification of inventory (excluding stocks lying with third parties) at reasonable intervals. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
  - (c) The Company is generally maintaining proper records of inventory. The discrepancies noticed on verification between physical stock and book records were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.
  
- (iii) The company has not granted any loans, secured or unsecured during the period. Thus paragraphs 3 (iii) of the order is not applicable to the Company.
  
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans and investments made.
  
- (v) According to the information and explanations given to us, the Company has not accepted any deposits in terms of directives issued by Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
  
- (vi) In our opinion and according to the information and explanations given to us, the company is not required to maintain cost records as required by sub section (1) of Section 148 of the Companies Act, 2013 for the activities of 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, income-tax, value added tax, duty of customs, service tax, cess and other material statutory

dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no material dues of duty of customs which have not been deposited with the appropriate authorities on account of any dispute.
  - (c) According to the information and explanation given to us, there are no dues of sales tax, income tax and excise duty which have not been deposited on account of any dispute.
- (viii) The Company has not defaulted in repayment of any loans or borrowings from any financial institution, banks, government or debenture holders during the year.
  - (ix) In our opinion and according to the information and explanations given to us, no money was raised during the year by way of further public offer (including debt instruments) and term loans.
  - (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
  - (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
  - (xii) In our opinion and according to the information and explanations given to us, the company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the order is not applicable.
  - (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
  - (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares during the year.
  - (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. pursuant to the provisions of Section 192 of the Companies Act, 2013. Accordingly, paragraph 3(xv) of the Order is not applicable.
  - (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act 1934.

For **MATHESH & RAMANA**  
CHARTERED ACCOUNTANTS

B.V. RAMANA REDDY  
M. No. 026967 Partner

Place: Hyderabad

Date: 30.06.2020

## **ANNEXURE-B TO INDEPENDENT AUDITOR'S REPORT**

Re: VANTA BIOSCIENCE 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 of **VANTA BIOSCIENCE LIMITED** ("the Company") as of 31<sup>st</sup> March 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility:**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the 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 was established and maintained and if such controls operated effectively in all material respects.

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting:**

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

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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:**

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

**Opinion:**

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

For **MATHESH & RAMANA**  
CHARTERED ACCOUNTANTS

B.V. RAMANA REDDY  
M. No. 026967 Partner

Place: Hyderabad.  
Date: 30.06.2020

BALANCE SHEET AS ON 31.03.2020			
Particulars	Note No	As at 31.03.2020	As at 31.03.2019
<b>1. Equity and Liabilities</b>			
<b>I. Share holder's Funds</b>			
a)Share Capital	3	6,31,20,000	6,31,20,000
b)Reserves & Surplus	4	17,12,80,245	15,93,30,506
		<b>23,44,00,245</b>	<b>22,24,50,506</b>
<b>II. Non Current Liabilities</b>			
a)Deferred Tax Liabilities (Net)	5	59,06,834	40,25,642
b)Long Term Borrowings	6	10,42,72,419	12,16,62,774
c) Other Long Term Liabilities		-	-
d) Long Term Provisions		-	-
		<b>11,01,79,253</b>	<b>12,56,88,416</b>
<b>III. Current Liabilities</b>			
a) Short Term Borrowings	7	1,88,39,754	-
b) Trade Payables	8	49,07,499	45,73,210
c) Other Current Liabilities	9	4,69,13,362	2,60,99,864
d) Short Term Provisions	10	6,18,153	12,17,310
		<b>7,12,78,767</b>	<b>3,18,90,384</b>
<b>Total</b>		<b>41,58,58,265</b>	<b>38,00,29,306</b>
<b>2. Assets</b>			
<b>I. Non Current Assets</b>			
a) Fixed Assets			
Tangible Assets	11	15,89,39,182	16,73,58,922
Research & Development	11	4,86,22,591	4,86,22,591
b) Non Current Investments	12	3,00,00,000	2,00,00,000
c) Deferred Tax Assets(Net)		-	-
d) Long Term Loans and Advances		-	-
e)Other Non Current Assets	13	35,04,070	35,04,070
		<b>24,10,65,843</b>	<b>23,94,85,583</b>
<b>II. Current Assets</b>			
a)Current Investments	14	-	1,95,00,000
b)Inventories	15	14,00,73,266	9,24,42,123
c)Trade Receivables	16	1,35,59,429	1,56,39,950
d)Cash & Cash Equivalents	17	8,66,963	28,43,450
e)Short Term Loans & Advances	18	1,70,45,130	89,61,582
f)Other Current Assets	19	32,47,634	11,56,618
		<b>17,47,92,422</b>	<b>14,05,43,723</b>
<b>Total</b>		<b>41,58,58,265</b>	<b>38,00,29,306</b>

See accompanying notes to the financial statements

As per our report of even date annexed.

**For Mathesh & Ramana**  
Chartered Accountants

**For and on behalf of the Board of Directors**  
Vanta Bioscience Limited

Sd/-  
**B. V. Ramana Reddy**  
M. No. 026967 Partner

Sd/-  
**M.Dopesh Raja**  
Managing Director  
DIN.NO.01176660

Sd/-  
**S.Venkat Rao**  
Whole Time Director  
DIN.NO.02906370

Place: Hyderabad  
Date : 30.06.2020

Sd/-  
**Zoheb S Sayani**  
Company Secretary  
M.No. A32277

Sd/-  
**A.Kiran Kumar**  
CFO



<b>Statement of Profit &amp; Loss for the year ending 31.03.2020</b>			
<b>Particulars</b>	<b>Note No</b>	For the year ended 31.03.2020	For the year ended 31.03.2019
<b>Revenue</b>			
a)Revenue from Operations	20	14,11,30,347	12,42,47,982
b)Other Income	21	10,88,203	22,88,683
<b>Total Revenue</b>		<b>14,22,18,550</b>	<b>12,65,36,666</b>
<b>Expenses</b>			
a)Cost of Material consumed	22	1,17,92,508	1,39,80,342
b)Purchases of Stock in Trade		-	-
c)Changes in Inventories: Work in Progress		-	-
d)Employee Benfit Expenses	23	4,93,99,312	4,15,39,315
e)Finance Cost	24	1,94,82,527	1,68,85,188
f)Depreciation and Amortization Expenses	25	1,18,88,792	71,09,609
g)Other Expenses	26	3,67,74,973	3,60,46,132
<b>Total Expenses</b>		<b>12,93,38,113</b>	<b>11,55,60,585</b>
<b>Profit Before Tax</b>		<b>1,28,80,437</b>	<b>1,09,76,081</b>
<b>Tax Expenses</b>			
a) Current Tax		21,64,199	22,89,357
b) MAT Credit Aailed		9,44,986	-
c) Deferred Tax	5	18,81,192	17,49,145
<b>Total</b>		<b>31,00,405</b>	<b>40,38,502</b>
<b>Net profit for the year</b>		<b>97,80,032</b>	<b>69,37,578</b>
<b>Earning per Equity Share</b>			
1. Basic		1.55	1.17
2. Diluted		1.55	1.17

See accompanying notes to the financial statements  
As per our report of even date annexed.

**For Mathesh & Ramana**  
**Chartered Accountants**

Sd/-  
**B. V. Ramana Reddy**  
M. No. 026967 Partner

Place: Hyderabad  
Date : 30.06.2020

**For and on behalf of the Board of Directors**  
**Vanta Bioscience Limited**

Sd/-  
**M.Dopesh Raja**  
Managing Director  
DIN.NO.01176660

Sd/-  
**Zoheb S Sayani**  
Company Secretary  
M.No. A32277

Sd/-  
**S.Venkat Rao**  
Whole Time Director  
DIN.NO.02906370

Sd/-  
**A.Kiran Kumar**  
CFO

Cash Flow Statement for the year ended 31st March 2020

Particulars	For the Year ended 31.03.2020	For the Year ended 31.03.2019
<b>A. Cash Flow from Operating Activities</b>		
Profit before exceptional , Extraordinary items and Tax	1,28,80,437	1,09,76,081
<b>Adjustment for:</b>		
Depreciation	1,18,88,792	71,09,609
Finance Charges	1,94,82,527	1,68,85,188
Gain/Loss on foreign Exchange fluctuation	-	-
<b>Sub total</b>	<b>3,13,71,320</b>	<b>2,39,94,796</b>
<b>Operating profit Before Working Capital Changes</b>	<b>4,42,51,757</b>	<b>3,49,70,877</b>
<b>Adjustment for:</b>		
(Increase) /Decrease in Inventories	-4,76,31,143	-6,21,97,637
(Increase) /Decrease in Trade receivables	20,80,521	-1,23,37,561
Increase /(Decrease) in Current Liabilities	2,05,48,630	1,32,15,471
(Increase) /Decrease Loans & Advances	-70,59,872	2,34,779
(Increase) /Decrease in Current Investment	1,95,00,000	2,55,00,000
<b>Sub total</b>	<b>-1,25,61,864</b>	<b>-3,55,84,948</b>
<b>Cash Generated from operations</b>	<b>3,16,89,892</b>	<b>-6,14,071</b>
<b>Net Cash Flow from Operating Activities</b>	<b>3,16,89,892</b>	<b>-6,14,071</b>
<b>B: Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	-34,69,052	-2,47,58,403
Capital Work In progress	-	-
Capital Work In progress-R&D	-	-
proceeds from sale of Fixed Assets	-	-
Investment in Subsidiaries	-1,00,00,000	-2,00,00,000
Purchase of other Non current Investments	-	-
<b>Net Cash Flow from Investing Activities</b>	<b>-1,34,69,052</b>	<b>-4,47,58,403</b>
<b>C: Cash Flow from Financing Activities</b>		
Increase /(Decrease) in Working capital	1,88,39,754	-49,85,004
Increase /(Decrease) in Term Loan	-1,73,90,355	2,18,62,242
Increase /(Decrease) in share capital	-	58,40,000
Increase /(Decrease) in share Premium	-	4,38,00,000
Finance Charges	-1,94,82,527	-1,68,85,188
<b>Net Cash Flow from Financing Activities</b>	<b>-1,80,33,129</b>	<b>4,96,32,050</b>
Actual Payment of Income Tax	-21,64,199	-22,89,357
<b>D: Net Increase/Decrease in Cash and cash Equivalents</b>	<b>-19,76,487</b>	<b>19,70,220</b>
<b>Opening of Cash &amp; Cash Equivalents</b>	<b>28,43,450</b>	<b>8,73,231</b>
<b>Closing Balance of Cash &amp; Cash Equivalents</b>	<b>8,66,963</b>	<b>28,43,450</b>

See accompanying notes to the financial statements

As per our report of even date annexed.

For Mathesh & Ramana  
Chartered Accountants

Sd/-  
**B. V. Ramana Reddy**  
M. No. 026967 Partner

Place: Hyderabad  
Date : 30.06.2020

For and on behalf of the Board of Directors  
Vanta Bioscience Limited

Sd/-  
**M.Dopesh Raja**  
Managing Director  
DIN.NO.01176660

Sd/-  
**S.Venkat Rao**  
Whole Time Director  
DIN.NO.02906370

Sd/-  
**Zoheb S Sayani**  
Company Secretary  
M.No. A32277

Sd/-  
**A.Kiran Kumar**  
CFO

## VANTA BIOSCIENCE LIMITED

### NOTES FORMING PART OF FINANCIAL STATEMENTS:

#### NOTE No. 1: CORPORATE INFORMATION:

VANTA BIOSCIENCE LIMITED ("The Company") was incorporated as Private Limited Company on 29<sup>th</sup> April, 2016, subsequently it was converted as a Public Limited Company on 17<sup>th</sup> March, 2017 and thereafter it is listed with BSE SME and the CIN being L74999TG2016PLC109280. The Company presently engaged in the business of Preclinical Activities.

#### NOTE 2: SIGNIFICANT ACCOUNTING POLICIES:

**a) Basis of Accounting:**

The financial statements have been prepared and presented under the historic cost convention on accrual basis to comply in all material respects with the notified Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The Accounting Policies have been consistently applied by the Company and are consistent with those used in the previous year. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013.

**b) Use of Estimates:**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the 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 the Future periods.

**c) Property, Plant and Equipments:**

Fixed assets are stated at cost less depreciation. All costs (excluding GST and Subsidy), including financing costs till commencement of commercial production and adjustments arising from exchange rate variations relating to borrowings attributable to the fixed assets are capitalized.

**d) Depreciation:**

The Company has provided depreciation for all the assets using Straight Line method as per the provisions specified in the Schedule II of the Companies Act, 2013.

**e) Inventories:**

Inventories have been taken as valued and certified by the Management. The basis of valuation is as under:

Raw materials, Stores & Spares - at cost or net realizable value whichever is lower.

Finished goods – at cost or net realizable value on FIFO basis whichever is lower.

**f) Retirement benefits:**

(i) Company's contribution to provident fund is charged to Profit & Loss Account.

(ii) Provision has been made in accounts for the future payment of gratuity to the employees of the Company, Pursuant to the payment of Gratuity Act, 1972 however provision has not been made based on the actuarial valuation.

**g) Revenue recognition:**

Income from operations is accounted Inclusive of GST on accrual basis.

- i) Dividend from investments is recognized when the right to receive the payment is established.
- ii) 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.
- iii) Revenue accrued, but not due at the end of financial year is recognized on proportionate completion basis in profit & Loss Account as per AS-7.

**h) Investments:**

Current Investments are valued at cost or market price whichever is lower and in the absence of market quotation, cost price is adopted. Long Term Investments are valued at cost.

**i) R&D Expenditure:**

Capital expenditure is included in the fixed assets and depreciation as per Company's policy.

Revenue expenditure is charged to profit & loss account of the year in which they are incurred and included in the respective heads of expenditure.

**j) Borrowing Costs:**

Borrowings costs that are directly attributable to the acquisition of qualifying assets are capitalized as part of cost of such asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

**k) Cash Flow Statement:**

The Cash Flow Statement has been compiled with and is based on the Balance Sheet as at 31st March, 2020 and the related Profit and Loss Account for the year ended on that date. The Cash Flow Statement has been prepared under the indirect method as set out in the Accounting Standard - 3 on Cash Flow statement issued by ICAI.

**l) Accounting for Taxes on Income:**

**Current Tax:** Provision for Current Income Tax is made on the basis of the taxable income for the year as determined in accordance with the provisions of Income Tax Act, 1961.

**Deferred Tax:** Deferred income tax is recognized, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The tax effect is calculated on the accumulated timing differences at the year end based on tax rates and laws. Enacted or substantially enacted as of the Balance Sheet date.

**m) Impairment of Assets:**

The management assesses using external and internal sources whether there is any indication that an asset may be impaired. Impairment of an asset occurs where the carrying value exceeds the present value of cash flow expected to arise from the continuing use of the asset and its eventual disposal. The provision for impairment loss is made when recoverable amount of the asset is lower than the carrying amount.

**n) Provisions and Contingent Liabilities and Contingent Assets:**

Provisions in respect of present obligations arising out of past events are made in the accounts when reliable estimate can be made of the amount of obligations and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but if material, are disclosed in the notes to accounts. Contingent assets are not recognized or disclosed in the financial statements.

**o) Cash and Cash Equivalents:**

Cash and cash equivalents comprise of cash at bank and cash in hand. The Company considers all highly liquid investments with an original maturity of three months or less from date of purchase, to be cash equivalents.

**p) Intangible Assets:**

Intangible assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized as per Accounting Standard 26.

**q) Earnings per share:**

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of equity shares, which may be issued on the conversion of all dilutive potential shares, unless the results would be anti dilutive.

**r) Foreign Currency Transactions:**

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Net exchange gain or loss resulting in respect of foreign exchange translations settled during period is recognized in the profit & loss account except for the net exchange gain or loss on account of imported fixed assets, which is adjusted in the carrying amount of the related fixed assets. Foreign currency denominated current assets and current liabilities at the period end are translated at the period end exchange rates and the resulting net gain or loss is recognized in the profit & loss account, except for exchange difference related to fixed assets purchased from foreign countries is adjusted in the carrying amount of related fixed assets.

Notes forming part of Financial Statements

3. Share Capital

Particulars	As at 31.03.2020		As at 31.03.2019	
	No. of Shares	Amount in Rs	No. of Shares	Amount in Rs
<b>a) Share Capital</b>				
Authorized Equity Shares of Rs. 10 Each	75,00,000	7,50,00,000	75,00,000	7,50,00,000
Issued, Subscribed and fully paid up Equity Shares of Rs. 10 Each	63,12,000	6,31,20,000	63,12,000	6,31,20,000
<b>Total</b>	<b>63,12,000</b>	<b>6,31,20,000</b>	<b>63,12,000</b>	<b>6,31,20,000</b>

b) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

Particulars	As at 31.03.2020		As at 31.03.2019	
	No. of Shares	Amount in Rs	No. of Shares	Amount in Rs
Equity Shares Outstanding at the beginning of the year	63,12,000	6,31,20,000	63,12,000	6,31,20,000
Equity Shares issued during the year	-	-	-	-
<b>Total</b>	<b>63,12,000</b>	<b>6,31,20,000</b>	<b>63,12,000</b>	<b>6,31,20,000</b>

c) Terms/ Rights attached to Equity Shares

The company has only one class of equity shares having par value of Rs. 10 Per share. Each holder of equity share is entitled to one vote per share .

d) Details of share held by each share Holder holding more than 5% Equity Shares

Name of the Share holder	As at 31.03.2020		As at 31.03.2019	
	No. of Shares	Amount in Rs	No. of Shares	Amount in Rs
Mulakala Mohan krishna	34,85,500	3,48,55,000	34,85,500	3,48,55,000
Mulakala Dopesh Raja	4,58,000	45,80,000	4,58,000	45,80,000
<b>Total</b>	<b>39,43,500</b>	<b>3,94,35,000</b>	<b>39,43,500</b>	<b>3,94,35,000</b>

## Notes forming part of Financial Statements

### 4. Reserves & Surplus

Particulars	As at 31.03.2020	As at 31.03.2019
Share Premium	15,21,20,000	15,21,20,000
<b>General Reserve</b>		
Balance as per the last Balance Sheet	-	-
Add: Transferred during the Year	-	-
<b>Surplus in Profit &amp; Loss Statement</b>		
Balance as per the last Balance Sheet	72,10,506	2,72,928
Add: Transferred during the Year	97,80,032	69,37,578
Add: MAT Credit adjustment	21,69,707	-
<b>Total</b>	<b>17,12,80,245</b>	<b>15,93,30,506</b>

### 5. Deferred Tax Liability

Particulars	As at 31.03.2020	As at 31.03.2019
Opening Balance	40,25,642	22,76,497
Add: During the Year	18,81,192	17,49,145
<b>Deferred Tax Liability</b>	<b>59,06,834</b>	<b>40,25,642</b>

### 6. Long Term Borrowings

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Term Loan</b>		
<b>From Banks and from Financial Institutions</b>		
Secured Borrowings		
Term Loan from State Bank of India	12,26,12,419	13,24,62,774
Unsecured Borrowings	-	-
Less: Amount disclosed under the head Other Current Liabilities payable with in 1 year	1,83,40,000	1,08,00,000
<b>Total</b>	<b>10,42,72,419</b>	<b>12,16,62,774</b>

a. Term Loan from State bank of India, SME Branch, Saifabad is secured by the hypothecation of Plant & Machinery including Lab Equipment standing in the name of the Company and primary security of Plot No. K2 11th Cross, SIPCOT, Industrial Complex, Gummidipudi, Tamilnadu-601201

b. Collateral Security of Module A123 Quatrant3, 5th Floor, Cyber Towers, Madhapur, Serlingampally, Rangareddy-500050 and Personal Gurantee of two directors Mr. Mulakala Mohan Krishna and Mr.Mulakala Dopesh Raja

### 7. Short Tem Borrowings

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Unsecured Loans</b>		
Unsecured Loans		
Loan from Directors (M.Dopesh Raja)	20,00,000	-
Loan from Sarvotham Remedies Limited	40,00,000	-
<b>Secured Loans</b>		
Cash Credit from State Bank of India	92,37,757	-
Working Capital Demand Loan	36,01,997	-
<b>Total</b>	<b>1,88,39,754</b>	<b>-</b>

The Cash Credit and Working Capital Demand Loan from State Bank of India, SME Branch, Saifabad is secured by way of hypothecation of Stocks, Book Debts, first charge on movable fixed assets and further guaranteed by the directors.

### 8. Trade Payables

Particulars	As at 31.03.2020	As at 31.03.2019
Sundry Creditors for Material	49,07,499	45,73,210
<b>Total</b>	<b>49,07,499</b>	<b>45,73,210</b>

### 9. Other Current Liabilities

Particulars	As at 31.03.2020	As at 31.03.2019
Outstanding Interest on Term Loan	40,34,829	14,48,695
Current Maturity on Term Loan	1,83,40,000	1,08,00,000
Creditors for Expenses	97,70,309	49,66,156
Creditors for Capital Goods	-	6,93,924
Outstanding Liabilities	17,97,943	11,59,708
Salaries & Wages Payable	1,13,30,811	63,07,289
<b>Statutory Liabilities Payable</b>		
PF Payable	1,82,212	1,55,238
ESI Payable	8,467	10,728
Professional Tax Payable	46,836	38,813
GST Payable	59,054	-
TDS Payable	13,42,901	5,19,313
<b>Total</b>	<b>4,69,13,362</b>	<b>2,60,99,864</b>

### 10. Short Term Provisions

Particulars	As at 31.03.2020	As at 31.03.2019
Provision of Income Tax	21,64,199	22,89,357
Add: Interest on Income Tax	40,705	80,164
Less: TDS	15,86,751	11,52,211
<b>Total</b>	<b>6,18,153</b>	<b>12,17,310</b>



NOTE 11 FIXED ASSETS & DEPRECIATION											
(Fig. In. Rs.)											
DESCRIPTION	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	As on 01-04-2019	During the Year		Capitalisation of Preoperative Expenses	Total as on 31/03/2020	As on 01-Apr-19	For the Year	Adjustments/ Deletions	Total as on 31-Mar-20	As on 31-Mar-20	As on 31-Mar-19
		Additions	Deletions								
<b>Tangible Assets:</b>											
LAND	1,17,50,795	-	-	-	1,17,50,795	-	-	-	-	1,17,50,795	1,17,50,795
BUILDING	6,00,17,246	-	-	-	6,00,17,246	32,76,593	19,00,546	-	51,77,140	5,48,40,106	5,67,40,652
PLANT & MACHINERY	2,88,33,952	18,43,369	-	-	3,06,77,321	29,57,581	19,42,897	-	49,00,478	2,57,76,844	2,58,76,372
LAB EQUIPMENT	1,54,15,424	3,29,85,030	-	-	4,84,00,454	18,15,904	45,21,052	-	63,36,957	4,20,63,497	1,35,99,519
MISC. FIXED ASSETS	15,29,979	-	-	-	15,29,979	2,31,444	1,45,348	-	3,76,792	11,53,187	12,98,535
COMPUTERS	13,83,037	24,95,457	-	-	38,78,494	9,71,375	12,23,957	-	21,95,331	16,83,162	4,11,662
ELECTRICAL EQUIPMENT	87,88,801	22,86,288	-	-	1,10,75,089	17,19,353	10,51,544	-	27,70,897	83,04,192	70,69,448
FURNITURE & FITTINGS	1,54,87,351	8,42,518	-	-	1,63,29,869	18,59,022	11,03,449	-	29,62,470	1,33,67,399	1,36,28,329
Capital Work in Progress	3,69,83,610	0	3,69,83,610	-	(0)	-	-	-	-	(0)	3,69,83,610
<b>TOTAL</b>	<b>18,01,90,194</b>	<b>4,04,52,662</b>	<b>3,69,83,610</b>	<b>-</b>	<b>18,36,59,246</b>	<b>1,28,31,272</b>	<b>1,18,88,792</b>	<b>-</b>	<b>2,47,20,064</b>	<b>15,89,39,182</b>	<b>16,73,58,922</b>
Previous Year	15,54,31,791	2,47,58,403			18,01,90,194	-	1,28,31,272	-	1,28,31,272	16,73,58,922	15,54,31,791
<b>Intangible Assets:</b>											
Research & Development	4,86,22,591	-	-	-	4,86,22,591	-	-	-	-	4,86,22,591	4,86,22,591
<b>Total</b>	<b>4,86,22,591</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,86,22,591</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,86,22,591</b>	<b>4,86,22,591</b>
Previous Year	-	4,86,22,591	-	-	4,86,22,591	-	-	-	-	4,86,22,591	-

## 12. Long Term Investments

Particulars	As at 31.03.2020	As at 31.03.2019
Investment in Vanta Clinical Research Limited [30,00,000 Shares of Rs. 10/- each (20,00,000 Shares of Rs. 10/- each) stated at cost]	3,00,00,000	2,00,00,000
<b>Total</b>	<b>3,00,00,000</b>	<b>2,00,00,000</b>

## 13. Other Non Current Assets

Particulars	As at 31.03.2020	As at 31.03.2019
Electricity Deposit	27,48,070	27,48,070
Security Deposit with BSE	7,56,000	7,56,000
<b>Total</b>	<b>35,04,070</b>	<b>35,04,070</b>

## 14. Current Investments

Particulars	As at 31.03.2020	As at 31.03.2019
Investments in Mutual Funds	-	1,95,00,000
<b>Total</b>	<b>-</b>	<b>1,95,00,000</b>

## 15. Inventories

Particulars	As at 31.03.2020	As at 31.03.2019
Services Under Process	13,84,28,411	9,14,15,961
Closing Stock of Material	16,44,855	10,26,162
<b>Total</b>	<b>14,00,73,266</b>	<b>9,24,42,123</b>

## 16. Trade Receivables

Particulars	As at 31.03.2020	As at 31.03.2019
<u>a) Trade Receivables outstanding for a period exceeding six months from the date they are due for payment</u>		
Unsecured, Considered Good	4,08,233	4,16,720
<u>b) Other Trade Receivables</u>		
Unsecured, Considered Good	1,31,51,196	1,52,23,230
<b>Total</b>	<b>1,35,59,429</b>	<b>1,56,39,950</b>

**17. Cash & Cash Equivalents**

Particulars	As at 31.03.2020	As at 31.03.2019
In Current Accounts	2,25,636	23,08,493
Cash on Hand	6,41,327	5,34,957
<b>Total</b>	<b>8,66,963</b>	<b>28,43,450</b>

**18. Short Term Loans & Advances**

Particulars	As at 31.03.2020	As at 31.03.2019
Advance for Capital Goods	9,25,671	3,45,786
Staff Advance - Salary	5,59,742	5,04,993
Other Business Advances	68,74,134	-
GST Input Credit	86,85,583	81,10,802
<b>Total</b>	<b>1,70,45,130</b>	<b>89,61,582</b>

**19. Other Current Assets**

Particulars	As at 31.03.2020	As at 31.03.2019
Prepaid Expenses	1,32,941	1,96,334
MAT Credit	31,14,693	-
Gain on Mutual Fund Units	-	9,60,283
<b>Total</b>	<b>32,47,634</b>	<b>11,56,618</b>

Notes forming part of Financial Statements

20. Revenue from Operations

Particulars	For the Year ended 31.03.2020	For the Year ended 31.03.2019
Revenue from Testing Analysis Service Charges(Domestic)	2,55,18,282	2,25,89,115
Revenue from Testing Analysis Service charges(Export)	6,85,99,615	3,76,11,936
<b>Service Excecuted Bills Under process</b>		
Unbilled Revenue	4,70,12,450	6,40,46,931
<b>Total</b>	<b>14,11,30,347</b>	<b>12,42,47,982</b>

21. Other Income

Particulars	For the Year ended 31.03.2020	For the Year ended 31.03.2019
Gain in Sale of Investment	2,27,275	22,88,683
Foreign Exchange Fluctuation	8,60,928	-
<b>Total</b>	<b>10,88,203</b>	<b>22,88,683</b>

22. Consumption of Material

Particulars	For the Year ended 31.03.2020	For the Year ended 31.03.2019
Opening Stock of Materials	10,26,162	28,75,456
<b>Add: Purchases</b>		
Purchase of Lab Chemicals	47,84,111	32,29,334
Feed Cost	13,40,844	15,49,329
Purchase of Consumables	26,16,173	35,75,792
Purchase of Live Animals	35,68,593	21,61,850
Testing Charges	1,01,480	16,14,742
<b>Sub Total</b>	<b>1,34,37,363</b>	<b>1,50,06,504</b>
<b>Less: Closing Stock</b>	<b>16,44,855</b>	<b>10,26,162</b>
<b>Total</b>	<b>1,17,92,508</b>	<b>1,39,80,342</b>

23. Employment Benefit Expenses

Particulars	For the Year ended 31.03.2020	For the Year ended 31.03.2019
Salaries & Wages	3,22,92,813	2,43,49,200
Director Remuneration	1,14,74,038	1,24,89,579
Staffwelfare Expenses	11,32,869	12,01,961
Insurance to Employees	4,89,674	2,95,994
Contribution to PF	11,55,827	8,52,970
Contribution to ESI	85,218	1,13,841
Leave Encashment	7,64,935	7,04,891
Labour Charges	20,03,938	15,30,879
<b>Total</b>	<b>4,93,99,312</b>	<b>4,15,39,315</b>

**24. Finance Cost**

<b>Particulars</b>	<b>For the Year ended 31.03.2020</b>	<b>For the Year ended 31.03.2019</b>
Interest on Cash Credit	18,25,176	5,65,581
Interest on Term Loan	1,72,85,816	1,52,80,879
Interest on Others	44,344	78,660
Interest on Income Tax	40,705	80,164
Bank Charges	1,87,366	1,27,583
Loan Processing Fee	99,120	7,52,321
<b>Total</b>	<b>1,94,82,527</b>	<b>1,68,85,188</b>

**25. Depreciation and Amortisation Expenses**

<b>Particulars</b>	<b>For the Year ended 31.03.2020</b>	<b>For the Year ended 31.03.2019</b>
Depreciation	1,18,88,792	71,09,609
<b>Total</b>	<b>1,18,88,792</b>	<b>71,09,609</b>

## 26. Other Expenses

Particulars	For the Year ended 31.03.2020	For the Year ended 31.03.2019
Goods and Service Tax	38,92,617	34,45,797
Factory Maintenance	1,38,127	7,83,460
Lab Maintenance	8,53,756	6,48,519
Repairs & Maintenance - P&M	9,85,419	3,19,733
Repairs & Maintenance - Others	5,59,386	2,16,026
Diesel Charges	6,30,390	10,29,412
Electricity Charges	92,60,376	87,50,532
Advertisement Expenses	1,65,840	3,09,832
Rent	63,720	57,340
Audit Fee		
Statutory Audit Fee	1,50,000	1,50,000
Internal Audit Fee	75,000	75,000
Audit Expenses	5,527	9,141
Books & Periodicals	-	3,346
Business Development Expenses	7,66,879	18,45,226
Commission	21,56,125	18,10,344
Computer Expenses	1,23,742	1,01,519
Consultancy Charges	53,33,048	25,06,115
Conveyance	4,82,135	4,25,711
Director's Sitting Fee	2,60,000	2,32,500
General Expenses	38,448	2,04,658
Insurance	1,19,064	58,675
Internet Expenses	3,92,072	3,79,506
Legal Expenses	300	80,000
Office Maintenance	1,78,366	3,31,985
Postage & Telegrams	1,40,061	1,12,693
Printing & Stationery	5,58,058	4,79,908
Rates & Taxes	70,011	1,92,921
Registration & Renewals	3,87,930	1,35,180
Safety Expenses	10,64,454	6,48,666
Security Expenses	9,80,627	10,07,380
Staff Recruitment Expenses	40,626	2,50,870
Subscription & Membership Fee	7,68,235	25,000
Telephone Expenses	2,68,153	2,83,243
Travelling Expenses	24,95,562	17,17,640
Vehicle Hire Charges	33,66,645	27,42,202
Lodging & Boarding Expenses	4,274	1,51,834
Foreign Exchange Fluctuation	-	2,28,347
IPO Expenses Written Off	-	42,95,871
<b>Total</b>	<b>3,67,74,973</b>	<b>3,60,46,132</b>

**27. FOREIGN EXCHANGE TRANSACTIONS:**

	Particulars	31 March 2020 Rupees
a.	Value of imports	10,28,821
b	Expenditure on Foreign Currency	23,57,210
c	Earnings on Foreign Currency	6,85,99,615
d	Foreign Exchange Gain	8,60,928

**28. MANAGERIAL REMUNERATION:**

		31 March 2020 Rupees
1.	Sri. M. Dopesha Raja	30,00,000
2.	Sri. Sadhanala Venkat Rao	60,00,000
3.	Dr. Vyas Murthy Madhava Rao	24,00,000

The above figures do not include Sitting fee paid and provision for gratuity and leave encashment.

**29. REMUNERATION TO AUDITORS:**

	31 March 2020 Rupees	31 March 2020 Rupees
A. Statutory Auditor:		
Statutory Audit Fee	1,25,000	
Tax Audit Fee	25,000	
Total A		1,50,000
B. Internal Auditor:		
Internal Auditor Fee	75,000	
Total B		75,000
<b>Total (A) and (B)</b>		<b>2,25,000</b>

**30. DEFERRED TAX :**

	31 March 2020 Rupees
In Conformity with the Accounting Standard 22 on Accounting for Taxes on income issued by Institute of Chartered Accountants of India, during the year the Company has provided for the Net Deferred Tax Liability/ Assets in the books of account.	
Net Block as per Companies Act	15,89,39,182
Net Block as per Income Tax Act	13,62,20,591
Timing Difference	2,27,18,592
Net Tax Liability as on 31-03-2020	59,06,834
Less: Deferred Tax Liability as on 31-03-2019	40,25,642
Effect on Profit and Loss Account (Deferred Tax for the year)	18,81,192

#Deferred Tax liability represents timing differences in depreciation on fixed assets.

**31. EARNING PER SHARE:****(A) BASIC EARNING PER SHARE**

i.	Number of equity shares outstanding at the beginning of the year.	63,12,000
ii.	Number of equity shares issued during the year.	-NIL-
iii.	Total number of equity shares outstanding at the end of the year.	63,12,000
iv.	Profit available to share holders.	97,80,032
v.	Basic Earning per Share. (face value Rs. 10/-)	1.55

**(B) DILUTED EARNING PER SHARE**

i.	Number of equity shares outstanding as per Point No. iii above.	63,12,000
ii.	Weighted average number of potential equity shares outstanding	-NIL-
iii.	Weighted average number of shares outstanding	63,12,000
iv.	Profit available to share holders	97,80,032
v.	Basic Earning per Share (face value Rs. 10/-)	1.55

**32. RELATED PARTY TRANSACTIONS:**

Disclosure as required by Accounting Standard AS 18: Related party disclosures issued by the Institute of Chartered Accountant of India (ICAI) are as follows:

S. No.	Name of the Related Party	Relation	Nature of Transaction	Volume of Transaction (Rs)	Closing Balance as on 31/03/2020 (Rs)
1.	Sarvotham Remedies Ltd.	Two Promoter Directors are the shareholders	Unsecured Loan received by the Company	40,00,000/-	40,00,000/-
2.	M. Sujana Sheela	Promoter's Spouse	Office Rent	63,720/-	Nil
3.	Vayam Research Solutions Ltd	Step Subsidiary	Testing & Analysis Charges and Expenses incurred on behalf Vayam Research Solutions Limited	46,00,000/- & 10,88,653/-	41,65,561/- Cr



4.	Vanta Clinical Research Ltd.	Subsidiary Company	Expenses incurred on behalf of Vanta Clinical Research Limited & Business Advances given by the company	2,51,820/- & 66,70,000/-	68,63,899/-
5.	Sri. M. Dopesh Raja	KMP	Unsecured Loan received by the Company & Key Managerial Personal Compensation	20,00,000/- & 30,00,000/-	20,00,000/-
6.	Sri. Sadhanala Venkata Rao	KMP	Key Managerial Personal Compensation	60,00,000/-	Nil
7.	Sri. Zoheb Sayani	KMP	Key Managerial Personal Compensation	2,29,116/-	Nil
8.	Dr. Vyas Murthy Madhava Rao	KMP	Key Managerial Personal Compensation	24,00,000/-	Nil
9.	A.Kiran Kumar	KMP	Key Managerial Personal Compensation	8,10,000/-	NIL

### **33. SEGMENT REPORTING:**

The Company is engaged in the business of full service preclinical contract research organization. Accounting Standard 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India is not applicable.

### **34. SHARE CAPITAL:**

The authorized capital of the company is Rs. 7,50,00,000/- divided into 75,00,000 equity shares of Rs. 10/- each.

Total Paid up Equity Share Capital of Rs. 6,31,20,000/- are divided into 63,12,000 equity shares of Rs. 10/- each.

35. The cash balance as on 31/03/2020 amounts to Rs.6,41,327/-. Since we could not undertake physical verification of cash on 31/03/2020 we have relied upon the certificate issued by the management in this regard.
36. In the view of Management, no event has taken place to trigger the need for testing its assets for impairment. Accordingly, as per the management's assessment, the carrying values of its assets as at the Balance sheet date are not higher than their corresponding recoverable amounts.
37. In the opinion of the Board the Current assets, Loans and advances are approximately of the value stated if realized in the ordinary course of the business. The provision for depreciation

and all known liabilities are adequate and not in excess of the amount considered reasonably necessary.

38. Confirmation of balances has not been received from any of the Creditors, Debtors and for Loans & Advances, which are subject to reconciliation. Provision for doubtful debts, if any, in respect of the above and the consequential adjustment, if any, whether of revenue nature or otherwise, will be dealt accordingly.
39. DISCLOSURE UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006:

Particulars	For the Year ended March 31, 2020		For the Year ended March 31, 2019	
	Principal	Interest	Principal	Interest
Amount due to Vendor	1,17,836/-	Nil	Nil	Nil
Principal amount paid (includes unpaid) beyond the appointed date	Nil	Nil	Nil	Nil
Interest due and payable for the period	Nil	Nil	Nil	Nil
Interest accrued and remaining paid	Nil	Nil	Nil	Nil

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of the information collected by management.

40. ADDITIONAL INFORMATION PURSUANT TO PARAGRAPHS 3 & 4 OF PART II OF SCHEDULE III TO THE COMPANIES ACT 2013, (AS CERTIFIED BY A DIRECTOR): NIL

41. The company has not proposed any dividend for the year under review.
42. During the year the following provisions were made:

Particulars	Rupees
Current Tax	21,64,199
Interest on Income Tax	40,705

43. During the year, the Company acquired 10,00,000 shares at an issue price of Rs.10 per share of Vanta Clinical Research Limited. Vanta Clinical Research Limited. is a wholly owned subsidiary Company of Vanta Bioscience Limited. The investment is shown at cost in the Balance sheet of Vanta Bioscience Limited.
44. The Ministry of Home Affairs announced a nationwide lockdown as a measure to contain the spread of COVID - 19 which was declared a global pandemic by the World Health Organisation. Owing to the lockdown, the operations of the Company were impacted due to shutting down of all plants and offices. The Company has resumed operations in a phased manner as per directives issued by the Government and is closely monitoring the impact of the pandemic on all aspects of its business. The Company is taking appropriate measures to ensure the safety and well-being of all its employees and ensuring full compliance with the directives issued by the Government in this regard.

The Management has exercised due care, in concluding on significant accounting judgments and estimates, inter alia, recoverability of receivables, assessment for impairment of intangible assets, inventory, based on the information available to date, both internal and external, to the extent relevant, while preparing these financial statements as of and for the year ended March 31, 2020. Based on the assessment of current indicators of future economic conditions, the Management does not envisage any significant impact on its financial statements as on March 31, 2020. The impact assessment of COVID - 19 is a continuing process given the uncertainties associated with its nature and duration, and

accordingly, the eventual outcome may be different from those estimated as on the date of approval of these financial statements.

45. Previous year figures have been regrouped and rearranged wherever necessary.

46. All the amounts are rounded off to the nearest rupee.

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As per our attached report of even date  
For **MATHESH & RAMANA**  
CHARTERED ACCOUNTANTS

On behalf of the Board  
For **VANTA BIOSCIENCE LIMITED**

**B.V. RAMANA REDDY**  
M. No. 026967 Partner

**M. Dopesha Raja**  
Managing Director  
DIN: 01176660

**Zoheb S Sayani**  
Company Secretary  
M. No. A32277

PLACE: HYDERABAD  
DATED: 30.06.2020

**S.Venkat Rao**  
CEO & Whole Time Director  
DIN. 02906370

**A.Kiran Kumar**  
CFO

## **INDEPENDENT AUDITOR'S REPORT**

**To The Members of  
VANTA BIOSCIENCE LIMITED**

### **Report on the Audit of the Consolidated Financial Statements:**

#### **Opinion:**

We have audited the accompanying Consolidated Financial Statements of **VANTA BIOSCIENCE LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2020, and the Consolidated Statement of Profit and Loss, Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity for the year then ended, and Notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the Consolidated State of Affairs of the Company as at March 31, 2020, Consolidated Profit, its Consolidated Cash Flows and Consolidated Changes in equity for the year then ended.

#### **Basis for Opinion:**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters:**

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

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the 'Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

#### **Impact of COVID-19 on the Company's financial statements**

<b>Key Audit Matters</b>	<b>How our audit addressed the key audit matter</b>
Corona Virus Disease 2019 ('COVID-19'), was declared a global pandemic by World Health Organisation.  In line with the directions on lockdown issued by the Central Government and State	We have performed the following procedures to assess and evaluate the impact on financial statements because of business decisions, government actions or economic environment developments: <ul style="list-style-type: none"><li>• Performed cut-off procedures for a larger</li></ul>

Governments, the Company temporarily suspended the operations of its units and offices from 23 March 2020 till 31 March 2020; and subsequently upto further dates as instructed by the respective Governments.

COVID-19 has resulted in restriction in movement of goods and persons during the period from 23 March 2020 till 31 March 2020 impacting normal business operations for the Company including revenues, receivables, purchases, services and inventories at the year-end and hence considered key audit matter.

sample of invoices during the lockdown period for both domestic as well as export sales.

- Enquired with the Company on any information on the liquidity position of any debtors; and ascertained the need for any additional provisioning for impairment/credit loss in the financial statements.
- We assessed the disclosures on COVID-19 made in the financial statements.
- Our ability to perform regular audit procedures has been impacted which has required us in certain cases to perform alternative audit procedures and exercise significant judgment in respect of the following:
  - a) Audit and quality control procedures which were earlier performed in person could not be performed; and hence alternative procedures have been performed based on inquiries (through phone calls, video calls and e-mail communications) and review of scanned documentation sent through e-mails, followed up with sighting with original documents.
  - b) Year-end inventory observation of inventory counts could not be performed. However, inventory counts were observed subsequent to year-end; and rolled back to year-end.

During the year, the Company acquired 10,00,000 shares at an issue price of Rs.10 per share of Vanta Clinical Research Limited. Vanta Clinical Research Limited is a wholly owned subsidiary Company of Vanta Bioscience Limited. The investment is shown at cost in the Balance sheet of Vanta Bioscience Limited.

**Emphasis of Matter:**

We draw attention to Note No. 40 of the financial statements, which describes the extent to which the COVID-19 Pandemic will impact the Company's results which depend on future developments that are highly uncertain. Our opinion is not modified in respect of this matter.

**Information Other than the Consolidated 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 Directors' Report and the Annexures thereto, but does not include the Financial Statements and our Auditor's Report thereon. The Directors Report is expected to be made available to us after the date of this Auditor's Report.

Our opinion on the Consolidated Financial Statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the Directors' Report, if we conclude that there is a material

misstatement therein, we are required to communicate the matter to those charged with governance and describe actions applicable in the applicable laws and regulations.

**Responsibilities of Management and those charged with Governance for the Consolidated Financial Statements:**

The Holding Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the 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, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the Company is responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group is also responsible for overseeing the Company's financial reporting process of the Group.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements:**

Our objectives are to obtain reasonable assurance about whether the Consolidated 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 Consolidated 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 Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated 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 Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and jointly controlled entities to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the Independent Auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other Auditors, such other Auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the Independent Auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Other Matters:**

We did not audit the financial statements / financial information of two subsidiaries, whose financial statements / financial information reflect total assets of Rs.1,105.62 Lacs as at 31st March, 2020 and total revenues of Rs. 46.00 Lacs and net cash flows amounting to Rs. (287.35) Lacs for the year ended on that date, as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include the Group's share of Net Profit of Rs. 0.98 Lacs for the year ended 31<sup>st</sup> March 2020 as considered in the Consolidated Financial Statements in respect of the Subsidiary whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other Auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, is based solely on the reports of the other Auditors.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to

our reliance on the work done and the reports of the other Auditors and the financial statements / financial information certified by the Management.

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

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other Auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
  - (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the Directors of the Holding Company as on 31st March, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the Statutory Auditors of its Subsidiary Companies, none of the Directors of the Group Companies is disqualified as on 31<sup>st</sup> March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of Internal Financial Controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure-A.
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) There were no pending litigations which would impact the consolidated financial position of the Group.
    - (ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
    - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies.
2. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its Directors during the year is in accordance with the provisions of section 197 of the Act read with Schedule V of the Act and is not in excess of the limit laid down under this section and Schedule.

For **MATHESH & RAMANA**  
CHARTERED ACCOUNTANTS

B.V. RAMANA REDDY  
M. No. 026967 Partner

**20026967AAAADR4359**

PLACE: HYDERABAD  
DATE: 30.06.2020



## **ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT**

Re: VANTA BIOSCIENCE LIMITED

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

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended 31<sup>st</sup> March, 2020, we have audited the internal financial controls over financial reporting of **VANTA BIOSCIENCE LIMITED** (hereinafter referred to as "the Holding Company") and have adopted the report on the internal financial controls over financial reporting issued by the respective Auditors of its Subsidiary Companies, which are companies incorporated in India, as of 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility:**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and, both issued by the 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 was established and maintained and if such controls operated effectively in all material respects.

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting:**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of

financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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:**

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

The Internal Financial Controls over financial reporting of Subsidiaries have been audited by other Auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Internal Financial Controls over financial reporting, included in respect of these Subsidiaries and our report in terms of Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls insofar as it relates to the aforesaid Subsidiaries, is based solely on the reports of the other Auditors.

**Opinion:**

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

For **MATHESH & RAMANA**  
CHARTERED ACCOUNTANTS

B.V. RAMANA REDDY  
M. No. 026967 Partner

PLACE: HYDERABAD  
DATE: 30.06.2020

**CONSOLIDATED BALANCE SHEET AS ON 31.03.2020**

Particulars	Note No	As at 31.03.2020	As at 31.03.2019
<b>1. Equity and Liabilities</b>			
<b>I. Shareholder's Funds</b>			
a) Share Capital	3	6,31,20,000	6,31,20,000
b) Reserves & Surplus	4	17,15,72,573	15,93,57,720
c) Minority Interest		98,97,359	98,13,915
		<b>24,45,89,932</b>	<b>23,22,91,635</b>
<b>II. Non Current Liabilities</b>			
a) Deferred Tax Liabilities (Net)	5	59,06,834	40,25,642
b) Long Term Borrowings	6	13,65,14,430	12,16,62,774
c) Other Long Term Liabilities		-	-
d) Long Term Provisions		-	-
		<b>14,24,21,264</b>	<b>12,56,88,416</b>
<b>III. Current Liabilities</b>			
a) Short Term Borrowings	7	1,88,39,754	-
b) Trade Payables	8	49,07,499	45,73,210
c) Other Current Liabilities	9	7,41,75,463	2,62,19,769
d) Short Term Provisions	10	8,12,396	12,31,761
		<b>9,87,35,111</b>	<b>3,20,24,740</b>
<b>Total</b>		<b>48,57,46,307</b>	<b>39,00,04,791</b>
<b>2. Assets</b>			
<b>I. Non Current Assets</b>			
a) Fixed Assets			
Tangible Assets	11	15,89,39,182	16,73,58,922
Capital Work in Progress		7,00,47,540	-
Research & Development	11	4,86,22,591	4,86,22,591
b) Non Current Investments		-	-
c) Deferred Tax Assets(Net)		-	-
d) Long Term Loans and Advances		-	-
e) Other Non Current Assets	12	96,76,270	35,04,070
		<b>28,72,85,583</b>	<b>21,94,85,583</b>
<b>II. Current Assets</b>			
a) Current Investments	13	-	1,95,00,000
b) Inventories	14	14,00,73,266	9,24,42,123
c) Trade Receivables	15	1,39,14,609	1,56,39,950
d) Cash & Cash Equivalents	16	19,51,029	3,26,62,721
e) Short Term Loans & Advances	17	3,92,41,653	91,17,796
f) Other Current Assets	18	32,80,167	11,56,618
		<b>19,84,60,724</b>	<b>17,05,19,208</b>
<b>Total</b>		<b>48,57,46,307</b>	<b>39,00,04,791</b>

See accompanying notes to the consolidated financial statements

As per our report of even date annexed.

**For Mathesh & Ramana**  
**Chartered Accountants**

Sd/-  
**B. V. Ramana Reddy**  
M. No. 026967 Partner

Sd/-  
**M. Dopesh Raja**  
Managing Director  
DIN.NO.01176660

Sd/-  
**S. Venkat Rao**  
Whole Time Director  
DIN.NO.02906370

Place: Hyderabad  
Date : 30.06.2020

Sd/-  
**Zoheb S Sayani**  
Company Secretary  
M.No. A32277

Sd/-  
**A. Kiran Kumar**  
CFO

<b>CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2020</b>			
<b>Particulars</b>	<b>Note No</b>	<b>For the year ended 31.03.2020</b>	<b>For the year ended 31.03.2019</b>
<b>Revenue</b>			
a)Revenue from operations	19	14,14,31,347	12,42,47,982
b)Other Income	20	10,98,781	22,88,683
<b>Total Revenue</b>		<b>14,25,30,128</b>	<b>12,65,36,666</b>
<b>Expenses</b>			
a)Cost of material consumed	21	1,17,92,508	1,31,80,342
b)Purchases of Stock in Trade		-	-
c)Changes in Inventories: Work in Progress		-	-
d)Employee Benefit Expenses	22	5,07,37,645	4,15,39,315
e)Finance Cost	23	1,94,82,527	1,68,85,188
f)Depreciation and Amortization Expenses	24	1,18,88,792	71,09,609
g)Other Expenses	25	3,52,09,890	3,67,90,552
<b>Total Exp</b>		<b>12,91,11,363</b>	<b>11,55,05,005</b>
<b>Profit Before Tax</b>		<b>1,34,18,765</b>	<b>1,10,31,660</b>
<b>Tax Expenses</b>			
a) Current Income Tax		23,53,969	23,03,808
b) MAT Credit Availed		9,44,986	-
c) Deferred Tax	5	18,81,192	17,49,145
<b>Total</b>		<b>32,90,175</b>	<b>40,52,953</b>
<b>Net profit for the year</b>		<b>1,01,28,590</b>	<b>69,78,707</b>
Less: Minority Interest		83,444	13,915
<b>Net profit for the year</b>		<b>1,00,45,146</b>	<b>69,64,792</b>
<b>Earning for Equity Share</b>			
1. Basic		1.59	1.10
2. Diluted		1.59	1.10

See accompanying notes to the consolidated financial statements

As per our report of even date annexed.

**For Mathesh & Ramana  
Chartered Accountants**

Sd/-

**B. V. Ramana Reddy**

M. No. 026967 Partner

Sd/-

**M.Dopesh Raja**

Managing Director

DIN.NO.01176660

Sd/-

**S.Venkat Rao**

Whole Time Director

DIN.NO.02906370

Sd/-

**Zoheb S Sayani**

Company Secretary

M.No. A32277

Sd/-

**A.Kiran Kumar**

CFO

Place: Hyderabad

Date : 30.06.2020

**Consolidated Statement of Cash Flow for the year ended 31st March 2020**

<b>Particulars</b>	<b>For the Year ended 31.03.2020</b>	<b>For the Year ended 31.03.2019</b>
<b>A. Cash Flow from Operating Activities</b>		
Profit before exceptional , Extraordinary items and Tax	1,34,18,765	1,10,31,661
<b>Adjustment for:</b>		
Depreciation	1,18,88,792	71,09,609
Finance Charges	1,94,82,527	1,68,85,188
<b>Sub total</b>	<b>3,13,71,320</b>	<b>2,39,94,797</b>
<b>Operating profit Before Working Capital Changes</b>	<b>4,47,90,085</b>	<b>3,50,26,458</b>
<b>Adjustment for:</b>		
(Increase) /Decrease in Inventories	-4,76,31,143	-6,21,97,637
(Increase) /Decrease in Trade Receivables	17,25,341	-1,30,47,561
Increase /(Decrease) in Current Liabilities	4,03,30,618	1,39,91,668
(Increase) /Decrease Loans & Advances	-3,53,04,914	-96,53,276
(Increase) /Decrease Current Investment	1,95,00,000	2,55,00,000
<b>Sub total</b>	<b>-2,13,80,098</b>	<b>-4,54,06,806</b>
Cash Generated from operations	2,34,09,986	-1,03,80,348
<b>Net Cash Flow from Operarting Activities</b>	<b>2,34,09,986</b>	<b>-1,03,80,348</b>
<b>B: Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	-34,69,052	-2,47,58,403
Capital Work in Progress	-7,00,47,540	0
Investment in Subsidiaries	-	-3,02,00,000
<b>Net Cash Flow from Investing Activites</b>	<b>-7,35,16,592</b>	<b>-5,49,58,403</b>
<b>C: Cash Flow from Financing Activites</b>		
Increase /(Decrease) in Unsecured Loan	1,10,00,000	98,00,000
Increase /(Decrease) in Working Capital	1,28,39,754	-49,85,004
Increase /(Decrease) in Term Loan	1,73,91,656	2,18,62,242
Increase /(Decrease) in Share Capital	-	4,58,40,000
Increase /(Decrease) in Share Premium	-	4,38,00,000
Finance Charges	-1,94,82,527	-1,68,85,188
<b>Net Cash Flow from Financing Activities</b>	<b>2,17,48,882</b>	<b>9,94,32,050</b>
Actual Payment of Income Tax	-23,53,969	-23,03,808
<b>D: Net Increase/Decrease in Cash and cash Equivalents</b>	<b>-3,07,11,692</b>	<b>3,17,89,491</b>
<b>Opening of Cash &amp; Cash Equivalents</b>	<b>3,26,62,721</b>	<b>8,73,231</b>
<b>Closing Balance of Cash &amp; Cash Equivalents</b>	<b>19,51,029</b>	<b>3,26,62,721</b>

See accompanying notes to the financial statements  
As per our report of even date annexed.

**For Mathesh & Ramana**  
**Chartered Accountants**

**For and on behalf of the Board of Directors**  
**Vanta Bioscience Limited**

Sd/-  
**B. V. Ramana Reddy**  
M. No. 026967 Partner

Sd/-  
**M.Dopesh Raja**  
Managing Director  
DIN.NO.01176660

Sd/-  
**S.Venkat Rao**  
Whole Time Director  
DIN.NO.02906370

Place: Hyderabad  
Date : 30.06.2020

Sd/-  
**Zoheb S Sayani**  
Company Secretary  
M.No. A32277

Sd/-  
**A.Kiran Kumar**  
CFO

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31<sup>st</sup> MARCH, 2020

### 1. CORPORATE INFORMATION :

Vanta Bioscience Limited (“The Company”) was incorporated on 29<sup>th</sup> April 2016. The company is engaged in the business of Preclinical Activities.

Vanta Bioscience Limited has one subsidiary and one step subsidiary. The details are as given below.

- a. Vanta Clinical Research Limited – Wholly Owned Subsidiary of Vanta Bioscience Limited
- b. Vayam Research Solutions Limited - Subsidiary of Vanta Clinical Research Limited

These Companies are engaged in Research & Development in the field of discovery and development of drugs, biological, vaccines, gene-based therapies as well as diagnostics and cosmetics including clinical research.

The list of subsidiaries considered in these financial statements with percentage of holding is as follows.

Name of the Subsidiary	Country of Incorporation	Percentage of Holding	Period of Consolidation
M/s. Vanta Clinical Research Limited	A wholly owned subsidiary of Vanta Bioscience Limited	100%	01.04.2019 to 31.03.2020
M/s. Vayam Research Solutions Limited	A subsidiary of Vanta Clinical Research Limited	75.40%	01.04.2019 to 31.03.2020

### 2. Summary of Significant Accounting Policies:

#### a. Basis of Preparation:

These Consolidated Financial statements have been prepared to meet the requirements under Section 133 of the Companies Act 2013 read with Companies (Accounts) Rules, 2015. The consolidated financial statements of Vanta Bioscience Limited and its subsidiaries (as listed above) collectively referred to as the ‘Group’, have been prepared and presented under the historical cost convention, on the accrual basis of accounting, in accordance with the provisions of the Companies Act, 2013, to the extent considered necessary for the purpose of these accounts, and in accordance with the accounting principles generally accepted in India (‘ Indian GAAP’) issued by the Institute of Chartered Accountants of India (‘ICAI’) , to the extent applicable. The financial statements are presented in Indian rupees rounded off to the nearest rupee.

The financial statements of the Company and its subsidiary have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses. Intra group balances and intra group transactions and resulting unrealized profits are eliminated in full. Unrealized losses resulting from intra group transactions are also eliminated unless cost cannot be recovered.

The Consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

All Assets and liabilities have been classified as current and non-current as per the Group’s normal operating cycle and other criteria set out in Schedule III to the Companies Act.2013.

**b. Principles of Consolidation:**

The consolidated financial statements have been prepared in accordance with Indian Accounting Standard 110 "Consolidated Financial statement" issued by the ICAI. The consolidated financial statements have been prepared on the following basis:

- i) The financial statements of the Parent company and its subsidiaries have been consolidated on a line-by-line basis by adding together the fair values of like items of assets, liabilities, income and expenses, after eliminating the intra-group balances/ transactions and resulting unrealized profits in full. Unrealized losses resulting from intra-group transactions have also been eliminated unless cost cannot be recovered, and are presented to the extent possible, in the same manner as the company's independent financial statements.
- ii) The excess of cost to the parent company of its investment in the subsidiary over the parent company's portion of equity at the date on which investment in the subsidiary is made, is recognized as Goodwill (on consolidation). When the cost to the parent of its investment in the subsidiary is less than the parent's company's portion of equity of the subsidiary at the date on which investment in the subsidiary is made, the difference is treated as Capital Reserve (on consolidation) in the consolidated financial statements.
- iii) The financial statements of the subsidiaries used in the consolidation are drawn up to the same reporting date as that of the parent company i.e. period ended 31<sup>st</sup> March, 2020.
- iv) Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments in the subsidiary companies are made and further movements in their share in the equity, subsequent to the dates of investments.

**c. Use of Estimates:**

The preparation of the consolidated financial statements requires the management of the Group to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expense during the year. Management believes that estimates made in the preparation of consolidated financial statements are prudent and reasonable. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

**d. Property, Plant & Equipment:**

Fixed assets are stated at cost less depreciation. Cost includes freight, duties, taxes and incidental expenses related to acquisition and installation of the fixed assets. The expenses related to, and incurred during implementation period have been capitalized under the appropriate heads.

**e. Depreciation:**

Depreciation on Fixed assets has been charged on straight-line method at the rates and the manner specified in schedule II to the companies act, 2013. The cost of plant materials including replantation expenses is being written off over a period of five years.

**f. Inventories:**

Inventories have been taken as valued and certified by the Management. The basis of valuation is as under:

Raw materials, Stores & Spares - at cost or net realizable value whichever is lower.  
Finished goods – at cost or net realizable value on FIFO basis whichever is lower.

**g. Revenue Recognition:**

The company follows mercantile system of accounting and recognizes significant items of income and expenditure as and when they are incurred and accrued.

**h. Retirement benefits:**

1. Company's contribution to provident fund if any is charged to Profit & Loss Account.
2. Provision has been made in accounts for the future payment of gratuity to the employees of the Company. But the Company has not complied with the actuarial valuation requirements of Gratuity as per the Accounting Standard.

**i. Investments:**

Current Investments are valued at fair value. Long Term Investments are valued at fair value. The difference of Book Value and Fair Value is treated as Impairment Loss.

**j. R&D Expenditure:**

Capital expenditure is included in the fixed assets and depreciation as per Company's policy.

Revenue expenditure is charged to profit & loss account of the year in which they are incurred is included in the respective heads of expenditure.

**k. Borrowing Costs:**

Borrowings costs that are directly attributable to the acquisition of qualifying assets are capitalized as part of cost of such asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

**l. Cash Flow Statement:**

The Cash Flow Statement has been compiled from and is based on the Balance Sheet as at 31st March, 2020 and the related Profit and Loss Account for the year ended on that date. The Cash Flow Statement has been prepared under the indirect method as set out in the Indian Accounting Standard - 7 on Cash Flow statement issued by ICAI.

**m. Accounting For Taxes On Income:**

**Current Tax:** Provision for Current Income Tax is made on the basis of the taxable income for the year as determined in accordance with the provisions of Income Tax Act, 1961.

**Deferred Tax:** Deferred income tax is recognized, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. The tax effect is calculated on the accumulated timing differences at the year end based on tax rates and laws. Enacted or substantially enacted as of the Balance Sheet date.

**n. Employee Stock Option Scheme:**

The company accounts for equity settled stock options as per the accounting treatment prescribed by Securities and Exchange Board of India (share based employee benefits)



Regulations, 2014 and the Guidance Note on Employee Share-based Payments issued by the Institute of Chartered Accountants of India.

**o. Impairment of Assets:**

The management assesses using external and internal sources whether there is any indication that an asset may be impaired. Impairment of an asset occurs where the carrying value exceeds the present value of cash flow expected to arise from the continuing use of the asset and its eventual disposal. The provision for impairment loss is made when recoverable amount of the asset is lower than the carrying amount.

**p. Government Grants & Other Claims:**

Revenue grants including subsidy/rebates, refunds, claims etc., are credited to profit & loss account under other income or deducted from the related expenses. Grants related to fixed assets are credited to capital reserves account or adjusted in the cost of such assets as the case may be, as and when the ultimate realisability of such grants etc., are established/realized.

**q. Provisions and Contingent Liabilities and Contingent Assets:**

Provisions in respect of present obligations arising out of past events are made in the accounts when reliable estimate can be made of the amount of obligations and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but if material, are disclosed in the notes to accounts. Contingent assets are not recognized or disclosed in the financial statements.

**r. Cash and Cash Equivalents:**

Cash and cash equivalents comprise of cash at bank and cash in hand. The Company considers all highly liquid investments with an original maturity of three months or less from date of purchase, to be cash equivalents.

**s. Leases:**

Lease rentals in respect of assets acquired under operating lease are charged to Statement of Profit and Loss.

**t. Intangible Assets:**

The expense incurred on the development of overseas markets has been recognized as Intangible Assets and will be amortized over a period of five years. The company is following the practice of writing off Deferred Revenue Expenses over a period of five years and the same accounting treatment is consistently followed for the current year also. Any new deferred revenue expenditure incurred will be written off in the year of such expenditure as per Indian Accounting Standard 38.

**u. Segment Reporting:**

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the company. Further,

- (i) Inter segment revenue has been accounted for based on the transaction price agreed to between segments which is primarily market based.
- (ii) Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the company as a whole and are not allocable to segments on a reasonable basis, have been included under "Un-allocated corporate expenses net of un-allocated income".

**v. Foreign Currency transactions:**

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Net exchange gain or loss resulting in respect of foreign exchange transactions settled during the period is recognized in the profit and loss account except for

the net exchange gain or loss on account of imported fixed assets, which is adjusted in the carrying amount of the related fixed assets. Foreign currency denominated current assets and current liabilities at period end are translated at the period end exchange rates and the resulting net gain or loss is recognized in the profit and loss account, except for exchange differences related to acquisition of fixed assets purchased from foreign countries is adjusted in the carrying amount of the related fixed assets.

**w. Foreign Currency translation:**

The consolidated financial statements are reported in Indian rupees. Since the company has the non-integral subsidiaries, assets and liabilities are translated at exchange rates prevailing at the date of the Balance sheet. The items in the Profit and loss account are translated at the average exchange rate during the period. The differences arising out of the transactions are transferred to Exchange translation reserve on consolidation of non-integral subsidiary, under Reserves and Surplus.

**x. Earnings per share:**

The basic earnings per equity share is computed by dividing the net profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the reporting period. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share, and also the weighted average number of equity shares, which may be issued on the conversion of all dilutive potential shares, unless the results would be anti-dilutive.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

3. Share capital

Particulars	As at 31.03.2020		As at 31.03.2019	
	No. of Shares	Amount in Rs	No. of Shares	Amount in Rs
<b>a) Share Capital</b>				
Authorized Equity Shares of Rs. 10 Each	75,00,000	7,50,00,000	75,00,000	7,50,00,000
Issued, Subscribed and fully paid up Equity Shares of Rs. 10 Each	63,12,000	6,31,20,000	63,12,000	6,31,20,000
<b>Total</b>	<b>63,12,000</b>	<b>6,31,20,000</b>	<b>63,12,000</b>	<b>6,31,20,000</b>

B) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period

Particulars	As at 31.03.2020		As at 31.03.2019	
	No. of Shares	Amount in Rs	No. of Shares	Amount in Rs
Equity Shares Outstanding at the beginning of the year	63,12,000	6,31,20,000	63,12,000	6,31,20,000
Equity Shares issued during the year	-	-	-	-
<b>Total</b>	<b>63,12,000</b>	<b>6,31,20,000</b>	<b>63,12,000</b>	<b>6,31,20,000</b>

C) Terms/ Rights attached to Equity Shares

The company has only one class of equity shares having par value of Rs. 10 Per share. Each holder of equity share is entitled to one vote per share .

d) Details of share held by each share Holder holding more than 5% Equity Shares

Name of the Share holder	As at 31.03.2020		As at 31.03.2019	
	No. of Shares	Amount in Rs	No. of Shares	Amount in Rs
Mulakala Mohan krishna	34,85,500	3,48,55,000	34,85,500	3,48,55,000
Mulakala Dopesh Raja	4,58,000	45,80,000	4,58,000	45,80,000
<b>Total</b>	<b>39,43,500</b>	<b>3,94,35,000</b>	<b>39,43,500</b>	<b>3,94,35,000</b>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

4. Reserves & Surplus

Particulars	As at 31.03.2020	As at 31.03.2019
Share Premium	15,21,20,000	15,21,20,000
<b>Surplus in Profit &amp; Loss Statement</b>		
Balance as per the last Balance Sheet	72,37,720	2,72,928
Add: transferred during the Year	1,00,45,146	69,64,792
Add: MAT Credit adjustment for earlier years	21,69,707	-
<b>Total</b>	<b>17,15,72,573</b>	<b>15,93,57,720</b>

5. Deferred Tax Liability

Particulars	As at 31.03.2020	As at 31.03.2019
Deferred Tax Liability	59,06,834	40,25,642

6. Long term Borrowings

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Term Loan</b>		
<b>From Banks and from financial institutions</b>		
Secured Borrowings		
Term Loan from State Bank of India	14,98,54,430	13,24,62,774
Unsecured Borrowings	50,00,000	-
Less: Amount disclosed under the head other current Liabilities payable within in 1 year	1,83,40,000	1,08,00,000
<b>Total</b>	<b>13,65,14,430</b>	<b>12,16,62,774</b>

a. Term Loan from State bank of India, SME Branch, Saifabad is secured by the hypothecation of Plant & Machinery including Lab Equipment standing in the name of the Company and primary security of Plot No. K2 11th Cross, SIPCOT, Industrial Complex, Gummidipudi, Tamilnadu-601201

b. Collateral Security of Module A123 Quatrant3, 5th Floor, Cyber Towers, Madhapur, Serlingampally, Rangareddy-500050 and Personal Gurantee of two directors Mr. Mulakala Mohan Krishna and Mr.Mulakala Dopesh Raja

c. Term Loan of Subsidiary taken from Axis Bank is secured by all movable and immovable properties of the company, present and future.

### 7. Short Term Borrowings

Particulars	As at 31.03.2020	As at 31.03.2019
<b>Unsecured Loans</b>		
Unsecured Loans		
Loan from Directors (M.Dopesh Raja)	20,00,000	
Loan from Sarvotham Remedies Limited	40,00,000	
Loan from Vanta Bio Science Limited	-	
<b>Secured Loans</b>		
Cash Credit from State Bank of India	92,37,757	
Working Capital Demand Loan	36,01,997	-
<b>Total</b>	<b>1,88,39,754</b>	<b>-</b>

The Cash Credit and Working Capital Demand Loan from State Bank of India, SME Branch, Saifabad is secured by way of hypothecation of Stocks, Book Debts, first charge on movable fixed assets and further guaranteed by the directors.

### 8. Trade Payables

Particulars	As at 31.03.2020	As at 31.03.2019
Sundry Creditors for Material	49,07,499	45,73,210
<b>Total</b>	<b>49,07,499</b>	<b>45,73,210</b>

### 9. Other Current Liabilities

Particulars	As at 31.03.2020	As at 31.03.2019
Outstanding Interest on Term Loan	40,34,829	14,48,695
Current Maturity on Term Loan	1,83,40,000	1,08,00,000
Creditors for Expenses	64,41,862	50,76,061
Creditors for Capital Goods	2,67,11,187	6,93,924
Outstanding Liabilities	17,97,943	11,59,708
Salaries & Wages Payable	1,13,30,811	63,07,289
Other Current Liabilities	22,28,119	-
Statutory Liabilities Payable	32,90,712	7,34,092
<b>Total</b>	<b>7,41,75,463</b>	<b>2,62,19,769</b>

### 10. Short Term Provisions

Particulars	As at 31.03.2020	As at 31.03.2019
Provision of Income Tax	23,58,442	23,03,808
Add: Interest on Income Tax	40,705	80,164
Less: TDS	15,86,751	11,52,211
<b>Total</b>	<b>8,12,396</b>	<b>12,31,761</b>

VANTA BIOSCIENCE LIMITED											
NOTE 11: FIXED ASSETS & DEPRECIATION :											
(Fig. In. Rs.)											
DESCRIPTION	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	As on 01-04-2019	During the Year Additions	Deletions	Capitalisation of Preoperative Expenses	Total as on 31-03-2020	As on 31-Mar-19	For the Year	Adjustments/ Deletions	Total as on 31-Mar-20	As on 31-Mar-20	As on 31-Mar-19
<b>Tangible Assets:</b>											
LAND	1,17,50,795	-	-	-	1,17,50,795	-	-	-	-	1,17,50,795	1,17,50,795
BUILDING	6,00,17,246	-	-	-	6,00,17,246	32,76,593	19,00,546	-	51,77,140	5,48,40,106	5,67,40,652
PLANT & MACHINERY	2,88,33,952	18,43,369	-	-	3,06,77,321	29,57,581	19,42,897	-	49,00,478	2,57,76,844	2,58,76,372
LAB EQUIPMENT	1,54,15,424	3,29,85,030	-	-	4,84,00,454	18,15,904	45,21,052	-	63,36,957	4,20,63,497	1,35,99,519
MISC. FIXED ASSETS	15,29,979	-	-	-	15,29,979	2,31,444	1,45,348	-	3,76,792	11,53,187	12,98,535
COMPUTERS	13,83,037	24,95,457	-	-	38,78,494	9,71,375	12,23,957	-	21,95,331	16,83,162	4,11,662
ELECTRICAL EQUIPMENT	87,88,801	22,86,288	-	-	1,10,75,089	17,19,353	10,51,544	-	27,70,897	83,04,192	70,69,448
FURNITURE & FITTINGS	1,54,87,351	8,42,518	-	-	1,63,29,869	18,59,022	11,03,449	-	29,62,470	1,33,67,399	1,36,28,329
Capital Work in Progress	3,69,83,610	0	3,69,83,610	-	(0)	-	-	-	-	(0)	3,69,83,610
<b>TOTAL</b>	<b>18,01,90,194</b>	<b>4,04,52,662</b>	<b>3,69,83,610</b>	<b>-</b>	<b>18,36,59,246</b>	<b>1,28,31,272</b>	<b>1,18,88,792</b>	<b>-</b>	<b>2,47,20,064</b>	<b>15,89,39,182</b>	<b>16,73,58,922</b>
<b>Intangible Assets:</b>											
Research & Development	4,86,22,591	-	-	-	4,86,22,591	-	-	-	-	4,86,22,591	4,86,22,591
	<b>4,86,22,591</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,86,22,591</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,86,22,591</b>	<b>4,86,22,591</b>

**12. Other Non Current Assets**

Particulars	As at 31.03.2020	As at 31.03.2019
Electricity Deposit	44,10,270	27,48,070
Security Deposit with BSE	7,56,000	7,56,000
Rental Deposit	45,00,000	-
Security Deposit with NSDL	10,000	-
<b>Total</b>	<b>96,76,270</b>	<b>35,04,070</b>

**13. Current Investments**

Particulars	As at 31.03.2020	As at 31.03.2019
Investments in Mutual Funds	-	1,95,00,000
<b>Total</b>	<b>-</b>	<b>1,95,00,000</b>

**14. Inventories**

Particulars	As at 31.03.2020	As at 31.03.2019
Services Under process	13,84,28,411	9,14,15,961
Closing Stock of Material	16,44,855	10,26,162
<b>Total</b>	<b>14,00,73,266</b>	<b>9,24,42,123</b>

**15. Trade Receivables**

Particulars	As at 31.03.2020	As at 31.03.2019
a) Trade Receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	4,08,233	4,16,720
b) Other Trade Receivables		
Unsecured, considered good	1,35,06,376	1,52,23,230
<b>Total</b>	<b>1,39,14,609</b>	<b>1,56,39,950</b>

**16. Cash & Cash Equivalents**

Particulars	As at 31.03.2020	As at 31.03.2019
In current Accounts	13,09,662	3,21,27,724
Cash on Hand	6,41,367	5,34,997
<b>Total</b>	<b>19,51,029</b>	<b>3,26,62,721</b>

**17. Short Term Loans & Advances**

Particulars	As at 31.03.2020	As at 31.03.2019
Advance for Capital Goods	1,86,40,409	4,22,000
Staff Advance-Salary	5,59,742	5,04,993
GST Input Credit	1,94,12,522	81,10,802
TDS Receivable	5,40,331	80,000
Other Advances	88,649	-
<b>Total</b>	<b>3,92,41,653</b>	<b>91,17,796</b>

**18. Other Current Assets**

Particulars	As at 31.03.2020	As at 31.03.2019
Prepaid Expenses	1,65,474	1,96,334
Gain On Mutual Fund Units	-	9,60,283
MAT Credit	31,14,693	-
<b>Total</b>	<b>32,80,167</b>	<b>11,56,618</b>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

19. Revenue from Operations

Particulars	For the Year ended 31.03.2020	For the Year ended 31.03.2019
Revenue from Testing Analysis Service Charges(Domestic)	2,58,19,282	2,25,89,115
Revenue from Testing Analysis Service charges(Export)	6,85,99,615	3,76,11,936
<b>Service Excecuted Bills Under process</b>		
Unbilled Revenue	4,70,12,450	6,40,46,931
<b>Total</b>	<b>14,14,31,347</b>	<b>12,42,47,982</b>

20. Other Income

Particulars	For the Year ended 31.03.2020	For the Year ended 31.03.2019
Gain in Sale of Investment	2,27,275	22,88,683
Foreign Exchange Fluctuation	8,60,928	-
Other Income	10,578	-
<b>Total</b>	<b>10,98,781</b>	<b>22,88,683</b>

21. Consumption of Material

Particulars	For the Year ended 31.03.2020	For the Year ended 31.03.2019
Opening Stock of materials	10,26,162	28,75,456
<b>Add: Purchases</b>		
Purchase of Lab chemicals	47,84,111	32,29,334
Feed Cost	13,40,844	15,49,329
Purchase of consumables	26,16,173	35,75,792
Purchase of Live animals	35,68,593	21,61,850
Testing Chages	1,01,480	8,14,742
<b>Sub Total</b>	<b>1,34,37,363</b>	<b>1,42,06,504</b>
Less: Closing Stock	16,44,855	10,26,162
<b>Total</b>	<b>1,17,92,508</b>	<b>1,31,80,342</b>



**22. Employment Benefit Expenses**

<b>Particulars</b>	<b>For the Year ended 31.03.2020</b>	<b>For the Year ended 31.03.2019</b>
Salaries & Wages	3,35,53,763	2,43,49,200
Director Remuneration	1,14,74,038	1,24,89,579
Staff Welfare Expenses	12,10,252	12,01,961
Insurance to Employees	4,89,674	2,95,994
Contribution to PF	11,55,827	8,52,970
Contribution to ESI	85,218	1,13,841
Leave Encashment	7,64,935	7,04,891
Labour Charges	20,03,938	15,30,879
<b>Total</b>	<b>5,07,37,645</b>	<b>4,15,39,315</b>

**23. Finance Cost**

<b>Particulars</b>	<b>For the Year ended 31.03.2020</b>	<b>For the Year ended 31.03.2019</b>
Interest on Working Capital Loan	18,25,176	5,65,581
Interest on Term Loan	1,72,85,816	1,52,80,879
Interest on Others	44,344	78,660
Interest on Income Tax	40,705	80,164
Bank Charges	1,87,366	1,27,583
Loan Processing Fee	99,120	7,52,321
<b>Total</b>	<b>1,94,82,527</b>	<b>1,68,85,188</b>

**24. Depreciation and Amortisation Expenses**

<b>Particulars</b>	<b>For the Year ended 31.03.2020</b>	<b>For the Year ended 31.03.2019</b>
Depreciation	1,18,88,792	71,09,609
<b>Total</b>	<b>1,18,88,792</b>	<b>71,09,609</b>

## 25. Other Expenses

Particulars	For the Year ended 31.03.2020	For the Year ended 31.03.2019
Goods and Service Tax	38,92,617	34,45,797
Factory Maintenance	1,38,127	7,83,460
Lab Maintenance	8,53,756	6,48,519
Repairs & Maintenance - P&M	9,85,419	3,19,733
Repairs & Maintenance - Others	5,59,386	2,16,026
Diesel Charges	6,30,390	10,29,412
Electricity Charges	97,99,908	87,50,532
Advertisement Expenses	1,65,840	3,09,832
Rent	1,22,130	57,340
Audit Fee		
Statutory Audit Fee	3,00,000	2,68,000
Internal Audit Fee	75,000	75,000
Audit Expenses	5,527	9,141
Books & Periodicals	-	3,346
Business Development Expenses	7,66,879	18,45,226
Commission	21,56,125	18,10,344
Computer Expenses	1,23,742	1,01,519
Consultancy Charges	7,33,048	25,06,115
Conveyance	4,82,135	4,25,711
Director's Sitting Fee	2,60,000	2,32,500
Filing Fees	2,09,620	5,38,572
General Expenses	38,448	2,04,658
Insurance	1,35,531	58,675
Internet expenses	3,92,072	3,79,506
Legal Expenses	300	80,000
Office Maintenance	1,78,366	3,31,985
Other Expenses	3,78,319	67,455
Postage & Telegrams	1,40,061	1,12,693
Printing & Stationery	5,58,058	4,79,908
Rates & Taxes	70,011	1,92,921
Registration & Renewals	3,87,930	1,35,180
Safety Expenses	10,64,454	6,48,666
Security Expenses	20,25,561	10,07,380
Staff Recruitment Exp	40,626	2,50,870
Subscription & Membership Fee	7,68,235	25,000
Telephone Expenses	4,26,053	2,83,243
Travelling Expenses	29,18,897	17,38,033
Vehicle Hire charges	33,66,645	27,42,202
Lodging & Boarding Expenses	4,274	1,51,834
Foreign Exchange Fluctuation	-	2,28,347
IPO Exp Written Off	-	42,95,871
Professional Charges	56,400	-
<b>Total</b>	<b>3,52,09,890</b>	<b>3,67,90,552</b>

26. In the view of Management, no event has taken place to trigger the need for testing its assets for impairment. Accordingly, as per the management assessment, the carrying values of its assets as at the Balance sheet date are not higher than their corresponding recoverable amounts.

**27. CONTINGENT LIABILITIES: NIL**

28. In compliance with Indian Accounting Standard – IND AS 17 “Leases”, the following are the Disclosures: NIL.

**29. AUDITOR’S REMUNERATION:**

	In Rupees	
	31 March 2020	31 March 2020
C. Statutory Auditor:		
Statutory Audit Fee	2,75,000	
Tax Audit Fee	25,000	
Total A		3,00,000
D. Internal Auditor:		
Internal Auditor Fee	75,000	
Total B		75,000
<b>Total (A) and (B)</b>		<b>3,75,000</b>

**30. MANAGERIAL REMUNERATION:**

		31 March 2020 Rupees
1.	Sri. M. Dopesh Raja	30,00,000
2.	Sri. Sadhanala Venkat Rao	60,00,000
3.	Dr. Vyas Murthy Madhava Rao	24,00,000

The above figures do not include Sitting fee paid and provision for gratuity and leave encashment.

**31. EARNINGS PER SHARE (EPS):**

Particulars	Period Ended 31.03.2020	Period Ended 31.03.2019
Profit attributed to the Equity Shareholders (Rs) (A)	1,00,45,146	69,64,792
Weighted average number of Equity Shares Outstanding during the year (B)	63,12,000	63,12,000
Face Value of Equity Shares (Rs)	10/-	10/-
Basic Earnings per share (Rs.)- (A/B)	1.59	1.10
Diluted Earnings per Share (Rs.) (A/B)	1.59	1.10

### 32. OPERATING SEGMENTS IND AS – 108:

The Company is engaged in the business of Preclinical Activities and is not engaged in any other kind of business. Hence segment reporting is not applicable.

### 33. RELATED PARTY TRANSACTIONS:

Disclosure as required by Accounting Standard AS 18: Related party disclosures issued by the Institute of Chartered Accountant of India (ICAI) are as follows:

S. N o.	Name of the Related Party	Relation	Nature of Transaction	Volume of Transaction (Rs)	Closing Balance as on 31/03/2020 (Rs)
1.	Sarvotham Remedies Ltd.	Two Promoter Directors are the shareholders	Unsecured Loan received by the Company	40,00,000/-	40,00,000/- Cr.
2.	M. Sujana Sheela	Promoter's Spouse	Office Rent	63,720/-	Nil
3.	Sri. M. Dopesh Raja	KMP	Unsecured Loan received by the Company & Key Managerial Personal Compensation	70,00,000/- & 30,00,000/-	70,00,000/- Cr.
4.	Sri. Sadhanala Venkata Rao	KMP	Key Managerial Personal Compensation	60,74,038/-	Nil
5.	Sri. Zoheb Sayani	KMP	Key Managerial Personal Compensation	2,29,116/-	Nil
6.	Dr. Vyas Murthy Madhava Rao	KMP	Key Managerial Personal Compensation	24,00,000/-	Nil
7.	A.Kiran Kumar	KMP	Key Managerial Personal Compensation	8,10,000/-	NIL

34. In compliance with Indian Accounting Standard (IND AS – 12) "Income Taxes" issued by the Institute of Chartered Accountants of India, the company provided for deferred taxes on timing differences in the books.

	31 March 2020 Rupees
In Conformity with the Accounting Standard 22 on Accounting for Taxes on income issued by Institute of Chartered Accountants of India, during the year the Company has provided for the Net Deferred Tax Liability/ Assets in the books of account.	
Net Block as per Companies Act	15,89,39,182
Net Block as per Income Tax Act	13,62,20,591
Timing Difference	2,27,18,592
Net Tax Liability as on 31-03-2020	59,06,834
Less: Deferred Tax Liability as on 31-03-2019	40,25,642
Effect on Profit and Loss Account (Deferred Tax for the year)	18,81,192

#Deferred Tax liability represents timing differences in depreciation on fixed assets.

35. In the opinion of the Board the Current assets, Loans and advances are approximately of the value stated if realized in the ordinary course of the business. The provision for depreciation and all known liabilities are adequate and not in excess of the amount considered reasonably necessary.
36. Confirmation of balances has not been received from any of the Creditors, Debtors and for Loans & Advances, which are subject to reconciliation. Provision for doubtful debts, if any, in respect of the above and the consequential adjustment, if any, whether of revenue nature or otherwise, will be dealt accordingly.
37. DISCLOSURE UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006:

As regards to the compliance of provisions relating to the dues to Micro, Small and Medium Enterprises in terms of Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006, the Company has sent letters to the Creditors to confirm whether they are Micro, Small and Medium Enterprises. The Company is yet to receive the confirmations from them. Hence, the Company could not quantify the dues, if any to the Micro, Small and Medium Enterprises.

Particulars	For the Year ended March 31, 2020		For the Year ended March 31, 2019	
	Principal	Interest	Principal	Interest
Amount due to Vendor	1,65,046	Nil	59,826	Nil
Principal amount paid (includes unpaid) beyond the appointed date	Nil	Nil	Nil	Nil
Interest due and payable for the period	Nil	Nil	Nil	Nil
Interest accrued and remaining paid	Nil	Nil	Nil	Nil

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of the information collected by management.

38. Additional information pursuant to Part II of Schedule III of the Companies Act, 2013. Quantitative and other details: Not Applicable.
39. During the year the following provisions are made:  
 Current Tax - Rs. 23,53,969/-
40. Information on Net Assets and Share of Profits as at March 31, 2020:

Name of the Entity	Net Assets (Total Assets less Total Liabilities)		Share in Profit & Loss	
	As % of Consolidated Net Assets	Amount in Rupees	As % of Net Profits	Amount in Rupees
<b>Parent</b>				
Vanta Bioscience Limited	99.88%	23,44,00,245	96.56%	97,80,032
<b>Subsidiaries</b>				
Vanta Clinical Research Limited	0.12%	2,92,328	2.62%	2,65,114
Minority Interest		98,97,359	0.82%	83,444

Information on Net Assets and Share of Profits as at March 31, 2019:

Name of the Entity	Net Assets (Total Assets less Total Liabilities)		Share in Profit & Loss	
	As % of Consolidated Net Assets	Amount in Rupees	As % of Net Profits	Amount in Rupees
<b>Parent</b>				
Vanta Bioscience Limited	99.99%	22,24,50,506	99.41%	69,37,578
<b>Subsidiaries</b>				
Vanta Clinical Research Limited	0.01%	27,214	0.39%	27,214
Minority Interest		98,13,915	0.20%	13,915

41. The Ministry of Home Affairs announced a nationwide lockdown as a measure to contain the spread of COVID - 19 which was declared a global pandemic by the World Health Organisation. Owing to the lockdown, the operations of the Company were impacted due to shutting down of all plants and offices. The Company has resumed operations in a phased manner as per directives issued by the Government and is closely monitoring the impact of the pandemic on all aspects of its business. The Company is taking appropriate measures to ensure the safety and well-being of all its employees and ensuring full compliance with the directives issued by the Government in this regard.

The Management has exercised due care, in concluding on significant accounting judgments and estimates, inter alia, recoverability of receivables, assessment for impairment of intangible assets, inventory, based on the information available to date, both internal and external, to the extent relevant, while preparing these financial statements as of and for the year ended March 31, 2020. Based on the assessment of current indicators of future economic conditions, the Management does not envisage any significant impact on its financial statements as on March 31, 2020. The impact assessment of COVID - 19 is a continuing process given the uncertainties associated with its nature and duration, and accordingly, the eventual outcome may be different from those estimated as on the date of approval of these financial statements.

42. Figures have been rounded off to the nearest rupee.

As per our attached report of even date  
For **MATHESH & RAMANA**  
CHARTERED ACCOUNTANTS

On behalf of the Board  
For **VANTA BIOSCIENCE LIMITED**

**B.V. RAMANA REDDY**  
M. No. 026967 Partner

**M. Dopesh Raja**  
Managing Director  
DIN: 01176660

**Zoheb S Sayani**  
Company Secretary  
M. No. A32277

PLACE: HYDERABAD  
DATED: 30.06.2020

**S.Venkat Rao**  
CEO & Whole Time Director  
DIN. 02906370

**A.Kiran Kumar**  
CFO

**FORM FOR REGISTRATION OF EMAIL ADDRESS FOR RECEIVING DOCUMENTS/NOTICES BY  
ELECTRONIC MODE**

**To.**

**Bigshare Services Private Limited**

**RTA of Vanta Bioscience Limited**

306, Right Wing, Amrutha Ville Apts. Somajiguda, Hyderabad – 500 082

Contact No. : 040 2337 4967

**Sub: Registration of email address for receiving documents/notices by electronic mode**

**Ref: Vanta Bioscience Limited - Scrip Code: 540729 – ISIN: INE695X01011**

I agree to receive all documents/notices and other correspondences and communications including the annual report from the Company in electronic mode. Please register my email address given below in your records for sending communication through email.

The following are my details

Name of Sole/First Holder:

DP ID Client ID/ Regd. Folio No:

PAN No.:

Email Address:

Phone No.

I request you to kindly update the same in your records. I instruct you to send all documents/notices and other correspondences and communications including annual report from the Company in electronic mode to the email id mentioned above.

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date:

Place:

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