

## Independent Auditor's Report

### To the Members of Vayam Research Solutions Limited

#### Opinion

We have audited the accompanying financial statements of **Vayam Research Solutions Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the 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 financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and the profit and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules 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

In view of the limited operations of the company during the year ended March 31, 2020, we have determined that there are no key audit matters to communicate in our report.

#### Other Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially



inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is no material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

As part of an audit in accordance with SA's, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and to 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.

2. Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. 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.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the 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 March



31, 2020 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

- f) As required by the provisions relating to report on the Internal Financial Controls under Clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act"), we give in "**Annexure B**" a statement on the matters specified.
- 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 amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

- 3. With respect to the matter to be included in the Auditors' Report under section 197(16) of the Act, as amended:

According to the information and explanations given to us, the remuneration paid by the Company to its whole time director during the year is in accordance with the provisions of section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.

For **Italia & Associates LLP**  
Chartered Accountants  
Firm registration number: 003793S/S200089

  
**Percy Homi Italia**  
Partner  
Membership Number: 015196

**UDIN:** 20015196AAAAFG5066

Place: Hyderabad  
Date: June 30, 2020



## **Annexure 'A' to the Independent Auditor's Report**

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of Vayam Research Solutions Limited)**

- (i) In respect of its fixed assets:
  - (a) The company has purchased fixed assets but has not put these assets to use as at the year ended March 31, 2020.
  - (c) According to the information and explanations given and the records examined by us, the Company does not hold any immovable properties. Hence, there are no title deeds held in the name of the Company.
- (ii) The company does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.
- (v) According to the information and explanation given to us, the Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act with regard to the deposits accepted from the public are not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of its products and services rendered by the Company.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
  - (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income-tax, Goods and Service Tax, cess and other material statutory dues applicable to it with the appropriate authorities *except the taxes deducted at source which have been mostly deposited after the due dates.*
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Service Tax, Customs Duty, cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
  - (c) There were no dues with respect to Income-tax, Goods and Service Tax, and Customs Duty which has not been deposited as at March 31, 2020, on account of any dispute.
- (viii) In our opinion and according to the information and explanation given to us, the Company has taken a term loan from Axis Bank during the year by complying with





the applicable provisions of the Act and has not taken any loan from any other financial institutions or from the government and has not issued any debentures.

- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). The Company has raised money by way of term loan from the bank during the year.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The Company has paid remuneration to its whole time director during the year in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year ended March 31, 2020 the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Italia & Associates LLP**

Chartered Accountants

Firm registration number: 003793S/S200089

*Sy \* Italia*

**Percy Homi Italia**

Partner

Membership Number: 015196

**UDIN:** 20015196AAAAG5066

Place: Hyderabad

Date: June 30, 2020



## **Annexure 'B' to the Independent Auditor's Report**

**(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)**

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

We were engaged to audit the internal financial controls over financial reporting of **Vayam Research Solutions Limited** ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the period ended on that date.

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

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit conducted in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India.

### **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 disposition of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of



unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Opinion**

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

For **Italia & Associates LLP**

Chartered Accountants

Firm registration number: 003793S/S200089



**Percy Homi Italia**

Partner

Membership Number: 015196

**UDIN:** 20015196AAAAG5066

Place: Hyderabad

Date: June 30, 2020





**VAYAM RESEARCH SOLUTIONS LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2020**

(Amount in Rs.)

Particulars	Note No	As at March 31, 2020	As at March 31, 2019
<b>1. Equity and Liabilities</b>			
<b>I. Shareholder's Funds</b>			
a) Share capital	2	39,800,000	20,000,000
b) Reserves and Surplus	3	362,172	28,398
		<b>40,162,172</b>	<b>20,028,398</b>
<b>II. Non Current Liabilities</b>			
a) Secured Long Term Borrowings	4	27,242,011	-
b) Unsecured Long Term Borrowings	5	11,503,699	9,800,000
		<b>38,745,710</b>	<b>9,800,000</b>
<b>III. Current Liabilities</b>			
a) Other Current Liabilities	6	31,809,813	421,425
		<b>31,809,813</b>	<b>421,425</b>
<b>Total</b>		<b>110,717,695</b>	<b>30,249,823</b>
<b>2. Assets</b>			
<b>I. Non Current Assets</b>			
a) Property, Plant and Equipment			
- Capital Work-in-progress	7	70,047,540	-
b) Other Non current Assets	8	6,172,200	-
		<b>76,219,740</b>	<b>-</b>
<b>II. Current Assets</b>			
a) Trade Receivables	9	4,520,741	395,000
b) Other Current Assets	10	32,533	-
c) Cash and Cash Equivalents	11	971,700	29,809,823
d) Short Term Loans and Advances	12	28,972,981	45,000
		<b>34,497,955</b>	<b>30,249,823</b>
<b>Total</b>		<b>110,717,695</b>	<b>30,249,823</b>

Significant Accounting Policies  
Notes on Financial Statements

**1B**  
**2 to 24**

The Notes form an integral part of the financial statements  
As per our report of even date

**For Italia and Associates LLP**  
**Chartered Accountants**  
**FRN:003793S/S200089**


  
**Percy Homi Italia**  
Partner  
M.No. 015196

Place: Hyderabad  
Date : June 30, 2020

**For and on behalf of the Board of Directors**  
**VAYAM RESEARCH SOLUTIONS LIMITED**

  
**M. Dopesh Raja**  
Managing Director  
DIN.NO.01176660

Place: Hyderabad  
Date : June 30, 2020

  
**S. Venkat Rao**  
Director  
DIN.NO.02906370

Place: Hyderabad  
Date : June 30, 2020



**VAYAM RESEARCH SOLUTIONS LIMITED**  
**Statement of Profit & Loss for the year ended March 31, 2020**

(Amount in Rs.)

Particulars	Note No	For the year ended March 31, 2020	For the period ended March 31, 2019
<b>Revenue</b>			
a) Revenue from operations	13	4,901,000	450,000
b) Other Income	14	10,578	-
<b>Total Revenue</b>		<b>4,911,578</b>	<b>450,000</b>
<b>Expenses</b>			
a) Employee Benefit Expenses	15	1,338,333	-
b) Finance Cost	16	453,307	8,055
c) Other Expenses	17	2,664,834	403,569
<b>Total Expenses</b>		<b>4,456,474</b>	<b>411,624</b>
<b>Profit Before Tax</b>		455,104	38,376
<b>Tax Expenses</b>			
a) Current Income Tax		121,330	9,978
b) Deferred Tax		-	-
<b>Total</b>		<b>121,330</b>	<b>9,978</b>
<b>Net profit for the year / period</b>		<b>333,774</b>	<b>28,398</b>
<b>Earning for Equity Share</b>			
<b>Basic and Diluted</b>	18	0.17	0.03
Significant Accounting Policies Notes on Financial Statements	<b>1B</b> <b>2 to 24</b>		

The Notes form an integral part of the financial statements  
As per our report of even date

**For Italia and Associates LLP**  
**Chartered Accountants**  
**FRN:003793S/S200089**

*Percy Homi Italia*  
**Percy Homi Italia**  
Partner  
M.No. 015196

Place: Hyderabad  
Date : June 30, 2020

**For and on behalf of the Board of Directors**  
**VAYAM RESEARCH SOLUTIONS LIMITED**

*M. Dopesh Raja*  
**M. Dopesh Raja**  
Managing Director  
DIN.NO.01176660

Place: Hyderabad  
Date : June 30, 2020

*S. Venkat Rao*  
**S. Venkat Rao**  
Director  
DIN.NO.02906370

Place: Hyderabad  
Date : June 30, 2020

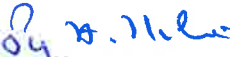


**VAYAM RESEARCH SOLUTIONS LIMITED**  
Cash Flow statement for the year ended March 31, 2020

(Amount in Rs.)

Particulars	For the year ended March 31, 2020	For the period ended March 31, 2019
<b>A. Cash Flow from Operating Activities</b>		
Profit before exceptional, Extraordinary items and Tax	455,104	38,376
<b>Adjustment for:</b>		
Depreciation	-	-
Finance Charges	453,307	8,055
<b>Operating profit Before Working Capital Changes</b>	<b>908,411</b>	<b>46,431</b>
<b>Adjustment for:</b>		
(Increase) /Decrease in Trade recivables	-4,125,741	-395,000
Increase /(Decrease) in Current Liabilities	31,388,388	421,425
(Increase) /Decrease Loans & Advances	-28,927,981	-45,000
(Increase) /Decrease Other current Assets	-32,533	-
<b>Cash Generated from operations</b>	<b>-1,697,867</b>	<b>-18,575</b>
Income Tax paid	-121,330	-9,978
<b>Net Cash Generated from operations</b>	<b>-910,786</b>	<b>17,878</b>
<b>Net Cash Flow from Operarting Activities - ( A )</b>	<b>-910,786</b>	<b>17,878</b>
<b>B: Cash Flow from Investing Activities</b>		
Purchase of Fixed Assets	-	-
Capital Work In progress	-70,047,540	-
Capital Work In progress-R&D	-	-
Purchase of other Non current Assets	-6,172,200	-
<b>Net Cash Flow from Investing Activites - ( B )</b>	<b>-76,219,740</b>	<b>-</b>
<b>C: Cash Flow from Financing Activites</b>		
Increase /(Decrease) in Unsecured Loan	1,703,699	9,800,000
Increase /(Decrease) in Term Loan	27,242,011	-
Increase /(Decrease) in share capital	19,800,000	20,000,000
Increase /(Decrease) in share Premium	-	-
Finance Charges	-453,307	-8,055
<b>Net Cash Flow from Financing Activities - ( C )</b>	<b>48,292,403</b>	<b>29,791,945</b>
<b>D: Net Increase/Decrease in Cash and cash Equivalents - ( A+B+C )</b>	<b>(28,838,123)</b>	<b>29,809,823</b>
<b>Opening of Cash &amp; Cash Equivalents</b>	29,809,823	-
<b>Closing Balance of Cash &amp; Cash Equivalents</b>	<b>971,700</b>	<b>29,809,823</b>

For Italia and Associates LLP  
Chartered Accountants  
FRN:003793S/S200089

  
**Percy Homi Italia**  
Partner  
M.No. 015196

Place: Hyderabad  
Date : June 30, 2020



For and on behalf of the Board of Directors  
VAYAM RESEARCH SOLUTIONS LIMITED

   
**M. Dopesh Raja** **S. Venkat Rao**  
Managing Director Director  
DIN.NO.01176660 DIN.NO.02906370

Place: Hyderabad  
Date : June 30, 2020



Place: Hyderabad  
Date : June 30, 2020

**VAYAM RESEARCH SOLUTIONS LIMITED**  
**Notes on Financial Statements for the period ended March 31, 2020**

**1. A. Corporate Information:**

**VAYAM RESEARCH SOLUTIONS LIMITED** (the Company) was incorporated on October 10, 2018. It has its registered office in Hyderabad, India. The Company is engaged in Research & Development in the field of discovery and development of drugs, biologicals, vaccines, gene based therapies as well as diagnostics and cosmetics including clinical research

**1. B. Significant Accounting Policies:**

**a. Basis of Preparation of Financial Statements**

These financial statements have been prepared in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company during the period.

**b. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

**c. Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Company and can be reliably measured.

**d. Fixed Assets**

Fixed Assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Costs of improvements on leasehold buildings are capitalized as leasehold improvements.

**e. Depreciation**

Depreciation on the Fixed Assets has been provided on Straight Line Method on an estimated useful life as prescribed in Schedule II to the Companies Act, 2013.

Depreciation on additions during the year is charged on a pro-rata basis.



**VAYAM RESEARCH SOLUTIONS LIMITED**  
**Notes on Financial Statements for the period ended March 31, 2020**

Fixed Assets costing up to Rs. 5,000 individually are fully depreciated in the year of purchase.

Lease hold improvement has been depreciated over the lease period.

**f. Intangible Assets and Amortization**

Intangible assets are recognized as per the criteria specified in Accounting Standard (AS) 26 "Intangible Assets". Intangible assets are recorded at the consideration paid for their acquisition. Intangible assets are amortized over the period of their estimated useful life.

**g. Impairment**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

**h. Borrowing Costs**

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss as incurred.

**i. Inventories**

Inventories are valued at cost or net realizable value whichever is lower. Cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing them to their present location and condition. Cost is determined on first-in first-out basis.

**j. Investments**

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments. Dividend Income is accounted when the right to receive dividend is established.





**VAYAM RESEARCH SOLUTIONS LIMITED**  
**Notes on Financial Statements for the period ended March 31, 2020**

**k. Foreign Currency Transactions**

(i) Initial Recognition

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

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(iii) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

**l. Retirement and Other Employee Benefits**

Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are taken to Statement of Profit and Loss of the year when the contributions to the respective funds are due.

**m. Leases**

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss over the lease term.

**n. Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. The effects of anti-dilutive potential equity shares are not considered in calculating dilutive earnings per share.



**VAYAM RESEARCH SOLUTIONS LIMITED**  
**Notes on Financial Statements for the period ended March 31, 2020**

**o. Taxation**

Tax expense comprises of current and deferred tax.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, considering the tax benefits and concessions available to the Company.

Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. If the company has carry forward of unabsorbed depreciation and tax losses, deferred tax assets are recognized only if there is virtual certainty that such deferred tax assets can be realized against future taxable profits. Unrecognized deferred tax assets of earlier years are re-assessed and recognized to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized.

**p. Provisions and Contingent Liabilities**

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure for a contingent liability is made when there is a present obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or for which no reliable estimate can be made. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

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**VAYAM RESEARCH SOLUTIONS LIMITED**  
Notes on Financial Statements for the year ended March 31, 2020

**2. Share capital**

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Amount in Rs	No. of Shares	Amount in Rs
<b>Authorized</b> 6,000,000 Equity Shares of Rs. 10 Each	6,000,000	60,000,000	2,000,000	20,000,000
<b>Issued, Subscribed and fully paid up</b> 3,980,000 Equity Shares of Rs. 10 Each (2,000,000 Equity Shares of Rs. 10 Each)	3,980,000	39,800,000	2,000,000	20,000,000
<b>Total</b>	<b>3,980,000</b>	<b>39,800,000</b>	<b>2,000,000</b>	<b>20,000,000</b>

**2.1 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period**

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Amount in Rs	No. of Shares	Amount in Rs
Equity Shares Outstanding at the beginning of the year / period	2,000,000	20,000,000	-	-
Equity Shares issued during the year / period	1,980,000	19,800,000	2,000,000	20,000,000
<b>Equity Shares Outstanding at the end of the year / period</b>	<b>3,980,000</b>	<b>39,800,000</b>	<b>2,000,000</b>	<b>20,000,000</b>

**2.2 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.

**2.3 Details of shares held by each share Holder holding more than 5% Equity Shares**

Name of the Share holder	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	% of shareholding	No. of Shares	% of shareholding
Vanta Clinical Research Limited	3,000,000	75%	1,020,000	51%
Sailendra Kumar Jagabandhu Goswami	900,000	23%	900,000	45%
<b>Total</b>	<b>3,900,000</b>	<b>98%</b>	<b>1,920,000</b>	<b>96%</b>

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