



BHARAT SERUMS AND VACCINES LIMITED

CORPORATE INFORMATION

BOARD OF DIRECTORS:

Mr. Bharat Daftary
Dr. Gautam Daftary
Mr. Siddharth Daftary
Mr. Girish Bakre
Mr. Nitin Deshmukh
Dr. Sunny Sharma
Mr. Ajeet Singh Karan
Mr. Suketu Shah
Mr. Manu Daftary
Mr. Suresh Lal Goklaney
Mr. Shahzaad Siraz Dalal
Ms. Nafeesa Adil Moloobhoy

Chairman and Managing Director
Vice-Chairman and Managing Director
Whole-time Director
Executive Director
Nominee Director
Nominee Director
Independent Director
Independent Director
Independent Director
Independent Director
Independent Director

CHIEF FINANCIAL OFFICER

Mr. Anil Damle

COMPANY SECRETARY

Mr. Charudatta Samant

AUDITORS

M/s. B S R & Co. LLP
Statutory Auditor
Lodha Excelus, 1st Floor,
Appollo Mills Compound,
N.M. Joshi Marg, Mahalaxmi,
Mumbai - 400 011.

M/s. Hemant Shah & Associates
Cost Auditor

M/s. JHR & Associates
Secretarial Auditor

BANKERS

EXIM Bank
IDBI Bank Limited
Bank of Baroda
DBS Bank Limited
Ratnakar Bank Limited
Corporation Bank
Axis Bank Limited

REGISTERED OFFICE

17th Floor, Hoechst House,
Nariman Point,
Mumbai - 400 021.

CORPORATE OFFICE

3rd Floor, Liberty Tower,
Plot K-10, Behind Reliable Plaza,
Kalwa Industrial Estate, Airoli,
Navi Mumbai - 400 708.

REGISTRAR & SHARE

TRANSFER AGENTS
Link Intime India Pvt. Limited,
C-13, Pannalal Silk Mills
Compound, L.B.S. Marg,
Bhandup (West),
Mumbai - 400 078.

PLANT LOCATIONS

AMBERNATH FACTORY
Plot No. K-27, Anand Nagar,
Additional M.I.D.C.
Ambarnath - East
Pin - 421 501.

THANE FACTORY

Plot No. A371-372,
Road 27,
Wagle Industrial Estate,
Thane - 400 604.

R&D CENTRE

3rd Floor, Liberty Tower,
Plot K-10, Behind Reliable Plaza,
Kalwa Industrial Estate,
Airoli, Navi Mumbai - 400 708.



BHARAT SERUMS AND VACCINES LIMITED

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BHARAT SERUMS AND VACCINES LIMITED

CHAIRMAN MESSAGE

Dear Shareholders,

It is a pleasure to inform you that the year under review has shown a fairly good growth in terms of overall consolidated income of your Company, at 12.4% over the previous year. While BSV India Domestic business registered a growth of 11.3% and Exports, a growth of 9%, BSV Bioscience, GmbH registered a growth of 18% in third party sales. We are happy to share with you that our facility at BSV Bioscience, GmbH, has received USFDA approval during the year, and this will improve growth prospects of BSV Bioscience, GmbH further.

The growth of 9% in exports is despite constraints in business functioning in many emerging markets served by BSV, such as Ukraine, Nigeria, Yemen and Syria, which were responsible for the shortfall in actual sales compared to our budgeted sales. These countries suffered steep declines in their local currencies due to various reasons such as low oil prices and domestic strife, adversely affecting their ability to pay for drugs imported into their countries.

Within India, your company achieved a domestic sales growth of 11.3%, while the Industry average was at 9.6% (Moving Average Twelve months (MAT) basis per AWACS). BSV is a niche bio-pharmaceuticals player, and we continue to be at a number 1 or 2 position in the Indian market in respect of our major products. Your company is reputed for its products in the Gynaecology and Critical Care segments with many "firsts" to its credit. We aim to consolidate this position in the coming years with new product launches. It should be noted, however, that prices of medicines in India continue to remain amongst the lowest in the world even when compared to other emerging markets like Pakistan, Bangladesh, Indonesia and Philippines.

Your company has been able to sustain continued R&D to firm up its position of strength in its focus therapeutic segments. In the financial year just ended, 3% of our total revenue was invested in R&D. We are also exploring to enter into Joint Development Agreement to signal your company's entry into developed markets.

Your company has recorded total Income at a consolidated level for the year just ended, of Rs.68,294 lakhs (PY Rs.60,747 lakhs) with an EBIDTA (Earnings before depreciation, tax and amortization) of Rs.11,547 Lakhs (PY Rs.11,124 Lakhs) registering a growth of 3.8% in EBIDTA.

We are confident of delivering a substantial growth in sales and profitability in the coming year. We are happy to inform you that on the Domestic front, a new division with field strength of 300+ people has been launched to tap the potential of Tier II towns and interior areas of the country. Growth will also come from institutional sales by way of increasing supply of equine products and also from other products which are at advanced stages of registrations in various domestic institutions. On the exports front, the revenue growth drivers would be new product registrations in various countries, especially emerging markets in FY16-17, we received close to 50 new product registrations and another 55-60 registrations are expected in the next year. Our wholly owned subsidiary in the Philippines was set up in the year and we have now doubled the Philippine sales force for better penetration in this fast growing market.

I would like to conclude with a heartfelt thanks to all our stakeholders for their continuing and strong support to the company, which is vital to the pursuit of sustainable growth as well as to our commitment to the BSV corporate logo of "Bringing Life to Life".

Best Wishes,

Sd/-
Bharat Daftary
Chairman and Managing Director

Date: 11 September 2017



GLOBAL PHARMA MARKET OUTLOOK

Global health care expenditures are projected to increase as % to GDP from 10.4% in 2015 to 10.5% in 2020 to reach \$8.7 trillion by 2020, from \$7 trillion in 2015, driven by improving treatments in therapeutic areas (TA) coupled with rising purchasing power and increased life expectancy. Life expectancy is projected to increase by one year by 2020, which will increase the aging population (over 65 years old) by 8%, from 559 mn in 2015 to 604 mn in 2020.

The world's major regions are expected to see health care spending increases ranging from 2.4 percent to 7.5 percent between 2015 and 2020. Health care expenditures as a percentage of GDP are projected to rise more quickly in emerging and lower income countries.

Life sciences sector growth is closely tied to global health care expenditures which, in 2017 and successive years, are expected to be fuelled by increasing demand from an aging population and the prevalence of chronic and communicable diseases. Chronic diseases are on the rise, assisted by rapid urbanization, sedentary lifestyles, changing diets, and rising obesity levels. By 2020, 50% of global health care expenditures — about \$4 trillion — will be spent on three leading causes of death: cardiovascular diseases, cancer and respiratory diseases. Other potential growth drivers include improved (if uneven) economic activity in key geographies, especially developing nations in the Middle East and Asia; continuing industry consolidation and collaboration; and new business models enabled by scientific and technology advances. (Deloitte 2017 Global Pharma Outlook)

Biopharmaceutical products (monoclonals, recombinants, vaccines etc.) continue to gain traction in the life sciences sector. Biopharmaceutical sales were an estimated \$289 billion in 2014 and are projected to grow to \$445 billion by 2019. In addition, biopharma's share of worldwide prescription drug and over-the-counter pharma sales is projected to increase from 23 percent in 2014 to 26 percent in 2019.

INDIAN PHARMA MARKET OUTLOOK

The Indian pharma industry is expected to grow at 15 per cent per annum between 2015 and 2020 to reach US\$ 55 billion by 2020 to emerge as the sixth largest pharmaceutical market by absolute size . It is expected to outperform the global pharma industry which is set to grow at an annual rate of 5 per cent during the same period.

On the exports front, India's pharmaceutical exports stood at US\$ 16.4 billion in 2016-17 and are expected to grow by 30 per cent over the next three years., according to the Pharmaceuticals Export Promotion Council of India (PHARMEXCIL). Indian companies received 55 Abbreviated New Drug Application (ANDA) approvals and 16 tentative approvals from the US Food and Drug Administration (USFDA) in Q1 of 2017. The USFDA approvals are expected to cross 700 ANDAs in 2017, recording a y-o-y growth of 17 per cent.

India's biotechnology industry comprising bio-pharmaceuticals, bio-services, bio-agriculture, bio-industry and bioinformatics is expected to grow at an average growth rate of around 30 per cent a year and reach US\$ 100 billion by 2025. Biopharma, comprising vaccines, therapeutics and diagnostics, is the largest sub-sector contributing nearly 62 per cent of the total revenues at INR 12,600 crore (US\$ 1.9 billion).

Growth drivers include population growth, increasing affordability, enhanced accessibility and rising acceptability. Population growth at around 1.3%, and a steady rise in disease prevalence is expected to increase the patient pool by about 20% by 2020. Affordability is expected to rise due to steadily rising income level and fast increasing health insurance coverage. Accessibility to drugs is expected to be enhanced due to growth in medical infrastructure.

The implementation of the Goods and Services Tax (GST) will lead to tax-neutral inter-state transactions between two dealers, thereby reducing the dependency on multiple states and increasing the focus on regional hubs leading to an efficient supply chain management.

Pricing control has already impaired growth of the Industry in the domestic market. Further price control in future could impair the results of the industry even more, and a scenario of economic slowdown could lead to negative sentiment and dampen investment in the sector.



Leading multi-national companies' aggressive aspirations for Indian business including sales force ramp up, branded generics launches and major investments in local market, coupled with leading local players' moves along similar lines, could pose threats in terms of enhanced competitive intensity. (Mckinsey 2016; IBEF 2017)

BUSINESS REVIEW

As against the Industry growth of Indian market, which was at 9.6% (MAT) as at March 2017, (AWACs), your company's domestic business grew by 11.3%.

The factors contributing to the consistent growth were

- All round progress in sales in all customer segments with a double-digit growth from Corporate Hospitals and Government Institutions.
- Progressively Increasing productivity of your company's sales force.
- Consistent focus on speciality products, increased promotional activity and improved communication on the superiority of our R&D products
- Progress in sales of several cancer related molecules which are off patent, but have proved difficult for other companies to develop.
- Strong growth of brands in the Gynaecology portfolio which registered 15% growth.
- Equally strong growth in the other segments, which registered 11% growth

Last year Export business had recorded negative 7% growth due to currency volatility and reduced off take in its key markets in CIS and Latin America. This year, despite constraints in business functioning in many emerging markets served by BSV, such as Ukraine, Nigeria, Yemen and Syria, which were responsible for the shortfall in actual sales compared to our budgeted sales, exports grew by 9%.

Going ahead, your company is looking at improving and sustaining profitability by focusing on a higher double digit growth in the domestic and exports business. On the domestic front, the drivers of revenue growth would be better penetration of the market, superior communication to doctors, increased supply of equine products, new product registrations in various institutions, and also, the new division focused on emergency medicine to tap the potential of Tier II towns and interiors of Metro cities which was launched towards the end of FY17 and has currently a field strength of 300 plus people. On the exports front, the revenue growth drivers would be new product registrations in various countries and focus on select export markets for intensive promotion of products. In the year we received close to 50 new registrations and in the year next, we expect to receive another 55-60 registrations. Your company is poised to benefit from higher healthcare spend in developing markets, particularly Asia and the Middle East, which would continue to be major contributor to the spending in life sciences in the times to come.

Your company has developed both monoclonal and recombinant biotech products which are registered in emerging markets, and some more are in the pipeline for both development as well as registration. 15% of the company's revenue comes from monoclonal antibodies.

Your Company's 100% owned subsidiary in the Philippines, which was setup last year, has started actual commercial operation now and for better penetration of this fast growing market, we have now doubled the size of field force here.

Your company's subsidiary BSV Bioscience, GmbH registered a growth of 18% in the 2016-17 for sale to third party.

FINANCIAL PERFORMANCE REVIEW

Your company recorded total Revenue, at a consolidated level, of INR 68,294 Lakhs (PY INR 60747 Lakhs) with an EBIDTA (Earnings before depreciation, tax and amortization) of INR 11,547 Lakhs (PY INR 11,124 Lakhs) registering a growth of approx. 12.4% in revenue, 3.8% in EBIDTA.



While your company's domestic business registered a growth of 11.3%, higher than the Industry average for Indian market which was at 9.6% (twelve months' moving average MAT) growth as at (AWACs, March 2017), exports grew at 9%.

BSV Bioscience GmbH, one of the wholly owned subsidiary, posted good performance by registering 18% growth in revenue from third party sales and with the USFDA approval for its plant now, the subsidiary is poised to register further higher growth levels in the years to come.

INTERNAL CONTROL SYSTEM

The company has proper and adequate internal controls commensurate with the size of its operations and which are designed to assist in identification and management of risks. These controls ensure integrity of accounting, proper authorization, accurate recording and reporting of all the transactions in accordance with the applicable accounting standards, compliance with the organizational policies, practices and various governmental regulations and statutes. The internal control system also monitors and acts as control against any unauthorized use or disposition of assets, thus safeguarding the company's properties.

With a view to further strengthen these controls and to ensure their continued effectiveness, various areas are identified by the management for audit. During the year under review, the company appointed an Independent internal Auditor to conduct audit in the areas of Payroll processing, CFA Operations and Sales Administration. Based on its recommendations the internal controls were strengthened further.

For and on behalf of the Board

Place: Mumbai
Date: 11 September 2017

Sd/-
Bharat Daftary
Chairman and Managing Director



BHARAT SERUMS AND VACCINES LIMITED

BOARD'S REPORT AS ON MARCH 31, 2017

To,
The Members,
Bharat Serums and Vaccines Limited.

Your Directors take pleasure in presenting the 44th Board Report of the Company together with Audited Financial Statements for the year ended March 31, 2017.

FINANCIAL PERFORMANCE.

The financial performance of your Company for the year ended March 31, 2017 is summarized below:

1. **Financial summary or highlights/Performance of the Company:** *(Standalone)*

On Standalone basis, total revenue of the Company was INR 63,491 lakhs (INR 57,065 lakhs) and after deducting total expenses of INR 52,549 lakhs (INR 46,807 lakhs), the operating profit before finance costs and tax for the period was INR 10,942 lakhs (INR 10,258 lakhs) and the profit before tax was INR 4,906 lakhs (INR 5,589 lakhs). The operations during the period resulted in net profit (after tax) of INR 4,022 lakhs (INR 4,412 lakhs).

2. **Financial summary or highlights/Performance of the Company:** *(Consolidated)*

On Consolidated basis, total revenue of the Company was INR 68,294 lakhs (INR 60,747 lakhs) and after deducting total expenses of INR 56,747 lakhs (INR 49,623 lakhs), the operating profit before finance costs and tax for the period was INR 11,547 lakhs (INR 11,124 lakhs) lakhs and the profit before tax was INR 5,178 lakhs (INR 6,129 lakhs). The operations during the period resulted in net profit (after tax) of INR 4,293 lakhs (INR 4,951 lakhs).

DIVIDEND.

a. **Equity Shares:**

The Board recommend payment of Equity Dividend @ of 27.50% per equity share of INR 5/- each for the financial year ended March 31, 2017 amounting to INR 2,57,60,642.88 (Rupees Two Crores Fifty-Seven Lakhs Sixty Thousand Six Hundred Forty-Two and Paise Eighty-Eight only) and such dividend payout is subject to the approval of members at the ensuing Annual General Meeting.

b. **Preference Shares:**

In accordance with the terms of Preference shares the Board recommends a Preference dividend for the financial year ended March 31, 2017 at the rate of:-

- a. 0.01% per Compulsorily Convertible Cumulative Preference Shares Series I (CCPS-I) and additional participatory dividend @ 27.50% on each CCPS-I on pro-rata basis to be paid on 7,14,119 CCPS – I of INR 5/- each, amounting to INR 9,82,270.68;
- b. 0.01% per Compulsorily Convertible Cumulative Preference Shares Series II (CCPS-II) and additional participatory dividend @ 27.50% on each CCPS-II on pro-rata basis to be paid on 10 CCPS – II of INR 5/- each, amounting to INR 13.76;
- c. 0.01% per Compulsorily Convertible Cumulative Preference Shares Series III (CCPS-III) and additional participatory dividend @ 27.50% on each CCPS-III on pro-rata basis to be paid on 9,19,243 CCPS – III of INR 5/- each, amounting to INR 12,64,418.75;
- d. 0.01% per Compulsorily Convertible Cumulative Preference Shares Series IV (CCPS-IV) and additional participatory dividend @ 27.50% on each CCPS-IV on pro-rata basis to be paid on 3,69,135 CCPS – IV of INR 5/- each, amounting to INR 5,07,745.19;

The dividend is subject to the approval of members at their ensuing Annual General Meeting.



The Register of Members and Share Transfer Books shall remain close on September 25, 2017 for payment of Dividend for the financial year end March 31, 2017 and the Annual General Meeting. The dividend will be paid to members whose names appear in the Register of Members as on record date i.e. September 25, 2017 and in respect of shares held in dematerialized form, it will be paid to members whose names are furnished by Depository Participant, as beneficial owners as on that date.

Dividend payout for the year under review has been formulated in accordance with the Company's policy to pay sustainable dividend linked to long term growth objectives of the Company to be met by internal cash accumulate.

TRANSFER TO RESERVES.

As per the provisions of the Companies Act, 2013, it is not mandatory to transfer any sum to General Reserve of the Company before deceleration of any dividend in any Financial year. However, your Directors propose to transfer INR 403 lakhs to the General Reserve out of the Net Profit of INR 4,022 lakhs.

SHARE CAPITAL.

The paid-up share capital of the Company as on March 31, 2017 was INR 10,36,87,600/- consisting of:-

- a. 1,87,34,913 Equity Shares of INR 5/- each;
- b. 100 Differential Voting Rights Equity Shares (DVRS) of INR 5/- each;
- c. 7,14,119, 0.01% Compulsorily Convertible Cumulative Preference Shares Series I (CCPS-I) of INR 5/- each;
- d. 10, 0.01% Compulsorily Convertible Cumulative Preference Shares Series II (CCPS-II) of INR 5/- each;
- e. 9,19,243, 0.01% Compulsorily Convertible Cumulative Preference Shares Series III (CCPS III);
- f. 3,69,135, 0.01% Compulsorily Convertible Cumulative Preference Shares Series IV (CCPS IV).

During the year under review, the Company has issued bonus 5,21,949 Equity Shares.

SUBSIDIARY/ JOINT VENTURE & ASSOCIATE COMPANY.

Your Company has Three wholly owned subsidiaries, namely:-

- (i) BSV Biosciences, Inc., which is formed in the State of California, United States of America;
- (ii) BSV Bioscience GmbH. which is formed in Germany; and
- (iii) BSV Bioscience Philippines Inc., which is formed in Philippines.

No other Subsidiary Companies were formed or divested during the year under review. In compliance with Section 129 of the Act, a statement containing requisite details including financial highlights of the operations of the aforesaid Subsidiary / Joint Venture / Associate Company is annexed in **ANNEXURE – II** to this report.

In accordance with Accounting Standard AS 21 – Consolidated Financial Statements read with Accounting Standard AS 23 – Accounting for Investments in Associates, and Accounting Standard 27 – Financial Reporting of Interests in Joint Ventures, the audited Consolidated Financial Statements are provided in the Annual Report.

CORPORATE GOVERNANCE.

Your Company has been constantly reassessing and benchmarking itself with well-established Corporate Governance practices besides strictly complying with applicable provisions of Companies Act, 2013. A detailed report on Corporate Governance & Management's Discussion and Analysis for the year under review, is presented in separate sections forming part of this Annual Report.

Pursuant to the requirements of Companies Act, 2013 your Board has adopted policies such as Corporate Social Responsibility Policy, Risk Management Policy and Whistle Blower and Vigil Mechanism Policy. These policies are available on the website of the Company and can be viewed on www.bharatserums.com.



The Audit Committee of the Board has been vested with the powers and functions relating to Risk Management which inter alia includes (a) review of risk management policies and business processes to ensure that the business processes adopted and transactions entered into by the Company are designed to identify and mitigate potential risk; (b) laying down procedures relating to risk assessment and minimization; and (c) formulation, implementation and monitoring of the risk management plan.

CORPORATE SOCIAL RESPONSIBILITY.

The Corporate Social Responsibility (CSR) Committee of the Board of Directors of your Company has, pursuant to provisions of the Companies Act, 2013 and rules thereunder has approved a CSR Policy. Your Company shall also undertake the other CSR activities Listed in Schedule VII of the Companies Act, 2013. The details of CSR activities undertaken during the period, by the Company is annexed to this report as per **ANNEXURE - IV**.

DIRECTORS AND KEY MANAGERIAL PERSONNEL.

Your Board comprises of Twelve Directors, which consists of two Managing Directors and two Whole-time Directors who are Executive Directors, and Eight Non-Executive Directors out of which two are Nominee Directors and Six are Independent Directors. All Directors including Independent Directors provide their declarations both at the time of appointment and annually. Independent Directors also confirms that they meet the criteria of Independence as prescribed under Companies Act, 2013.

In compliance with the requirements of Section 203 of the Companies Act, 2013, Mr. Bharat Daftary Chairman & Managing Director, Dr. Gautam Daftary, Vice Chairman & Managing Director, Mr. Girish Bakre, Executive Director, Mr. Siddharath Daftary, Whole-time Director Mr. Anil Damle, Chief Financial Officer and Mr. Charudatta Samant are Key Managerial personnel of the Company.

Due to resignations submitted by some Directors of the Company during the Financial Year, the Company could not attain the desired composition of the Board for part of the year. However with appointments contemplated in ensuing AGM, the desired composition shall be attained.

APPOINTMENT AND DECLARATION OF INDEPENDENT DIRECTORS.

During the period under review the Company had appointed Mr. Shahzad Dalal, Mr. Suresh Goklaney, as an Independent Directors of the Company. They shall not be liable to retire by rotation.

Further, all the Independent Directors have declared and affirmed their compliance with the independence criteria as mentioned in Section 149 (6) of the Companies Act, 2013 in respect of their position as an "Independent Director" of the Company.

AUDIT & AUDITORS REPORT.

1. Statutory Auditor.

The Auditors, M/s B S R & Co. LLP, Chartered Accountants, Mumbai having firm registration no. 101248W/W-100022 and LLP registration no. AAB-8181, retire at the ensuing Annual General Meeting.

The Board of Directors recommends M/s B S R & Co. LLP, Chartered Accountants, Mumbai having firm registration no. 101248W/W-100022 and LLP registration no. AAB-8181, as being eligible and offer themselves for appointment as Statutory Auditor of the Company for a period of five years from the conclusion of this Annual General Meeting [AGM] till the conclusion of 49th AGM.

2. Cost Auditor.

The Cost Auditors, M/s Hemant Shah & Associates, Cost Accountants, Mumbai, as Cost Auditor, having Firm Registration No. 000394, retire at the ensuing Annual General Meeting.

The Board of Directors recommends M/s Hemant Shah & Associates, Cost Accountants, Mumbai, as Cost Auditor, having Firm Registration No. 000394, as being eligible and offer themselves for appointment as Cost Auditor of the Company for F.Y. 2017-18, for a period of 1 year from the conclusion of this AGM till the conclusion of 45th AGM.



3. Secretarial Auditor.

During the year, Secretarial Audit was carried out by M/s JHR & Associates – Practicing Company Secretary, having Fellow Membership No. 4317 & C.P. No. 2520 in compliance with Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

MEETINGS & COMMITTEE.

1. Board Meeting Chart.

During the financial year, eight Board Meetings were convened and held. The intervening gap between the Board Meetings was within the period prescribed under the Companies Act, 2013.

NAME OF DIRECTOR	DATE OF BOARD MEETINGS							
	Apr 28, 2016	Aug 2, 2016	Sept. 28, 2016	Oct 26, 2016	Jan 30, 2017	Mar 6, 2017	Mar 14, 2017	Mar 20, 2017
Mr. Bharat Daftary	Present	Present	Present	Present	Present	Present	Present	Present
Dr. Gautam Daftary	Present	Present	Present	Present	Present	Present	Present	Present
Mr. Siddharth Daftary	Present	Absent	Absent	Present	Present	Present	Present	Present
Mr. Girish Bakre*	Present	Absent	NA	NA	NA	NA	NA	NA
Mr. Milind Vaidya**	Present	Present	Present	NA	NA	NA	NA	NA
Mr. Nitin Deshmukh***	Absent	Present	NA	NA	NA	NA	NA	NA
Dr. Sunny Sharma	Present	Present	Present	Present	Present	Present	Present	Absent
Mr. Suketu Shah	Present	Present	Present	Present	Present	Present	Present	Present
Mr. Ajeet Singh Karan	Present	Present	Absent	Absent	Present	Present	Present	Present
Mr. Manu Daftary	Present	Absent	Absent	Absent	Present	Absent	Absent	Absent
Ms. Nafeesa Moloobhoy	Present	Absent	Absent	Absent	Present	Present	Present	Present

2. Audit Committee Meeting Chart.

During the financial year, Five Audit Committee Meetings were convened and held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

NAME OF MEMBER	DATE OF MEETINGS				
	April 28, 2016	July 19, 2016	August 2, 2016	October 26, 2016	January 30, 2017
Mr. Nitin Deshmukh***	Absent	Present	Present	NA	NA
Dr. Sunny Sharma	Present	Present	Present	Present	Present
Mr. Suketu Shah	Present	Absent	Present	Present	Present
Mr. Ajeet Singh Karan	Present	Absent	Present	Absent	Present
Mr. Manu Daftary	Absent	Absent	Absent	Absent	Present

3. Nomination and Remuneration Committee Meeting.

In compliance with the Section 178 of the Companies Act, 2013 the Nomination and Remuneration Committee of your Board had fixed various criteria for nominating a person on the Board *which inter alia* include desired size and composition of the Board, age limits, qualification / experience, areas of expertise and independence of individual. Your Company has also adopted a Remuneration Policy. The Copy of the Policy has been uploaded on the Company's Website viz. www.bharatserums.com.



During the financial year, Two Meetings of Nomination and Remuneration Committee were convened and held.

NAME OF MEMBER	DATE OF MEETINGS	
	August 2, 2016	January 30, 2017
Dr. Gautam Daftary	Present	Present
Mr. Nitin Deshmukh***	Present	NA
Mr. Suketu Shah	Present	Present
Mr. Ajeet Singh Karan	Present	Present

* Resigned w.e.f. August 31, 2016.

** Resigned w.e.f. October 20, 2016.

***Resigned w.e.f. September 27, 2016.

VIGIL MECHANISM / WHISTLE BLOWER POLICY.

As per Section 177 of the Companies Act, 2013, a comprehensive Whistle Blower and Vigil Mechanism Policy has been approved and implemented within the organization. The policy enables the employees and directors to report instances of any unethical act or suspected incidents of fraud or violation of Company's Code of conduct. This mechanism/Policy provides adequate safeguards to whistle blowers against reprisals or victimization. The Copy of the Policy has been uploaded on the Company's Website viz. www.bharatserums.com.

RISK MANAGEMENT POLICY.

Your Company has established a written Risk Management Policy. Board of Directors are overall responsible for identifying, evaluating and managing all significant risks faced by the Company and the Board of Directors are continuously ensuring efficient risk management and monitoring potential risks faced by the Company, internally as well as externally.

DISCLOSURES.

1. Particulars of loans, guarantees and investments under section 186:

Particulars of loans, guarantees and investments made by the Company required under Section 186 (4) of the Companies Act, 2013 are contained in Note No. 14 and 15 to the Standalone Financial Statements.

2. Transactions with Related Parties.

None of the transactions with related parties fall under the scope of Section 188(1) of the Companies Act, 2013. Information on material transactions with related parties pursuant to Section 134 (3) (h) of the Companies Act, 2013, read with rule 8(2) of the Companies (Accounts) Rules, 2014, in form AOC-2 is annexed to this report as per **ANNEXURE - III**.

3. Deposits.

Your Company has not accepted any public deposits and as such no amount on account of principal or interest on public deposits under Section 73 of the Companies Act, 2013, read with Companies (Acceptance of Deposits) Rules, 2014, was outstanding as on the date of the Balance Sheet.

4. Extract of Annual Return.

The extract of Annual Return in Form MGT-9 as required under Section 92(3) of the Act read with Companies (Management & Administration) Rules, 2014 is annexed to this report as **ANNEXURE - V**.



5. Obligation of Company under, The Sexual Harassment Of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013.

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. During the year Company, has not received any Complaints of such harassment which required attention and to be dealt with, as per the procedure laid down in the Act and in line with Company policies.

6. Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report:

During the period under review no significant and material commitments affecting the financial position of the Company have occurred between the financial year of the Company to which the financial statements relate and the date of the report.

7. Details of significant and material orders passed by the regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

During the period under review no significant and material orders have been passed by any regulators or courts or tribunals against the Company impacting the going concern status and Company's operations in future.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.

The information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 134 (3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is annexed to this report as **ANNEXURE - I**.

DIRECTORS' RESPONSIBILITY STATEMENT.

Pursuant to Section 134 of the Companies Act, 2013 ('the Act'), in relation to the Audited Financial Statements for the Financial Year 2016-2017, your Directors confirm that:

- a. The Financial Statements of the Company - comprising of the Balance Sheet as at March 31, 2017 and the Statement of Profit & Loss for the year ended on that date, have been prepared on a going concern basis following applicable accounting standards and that no material departures have been made from the same;
- b. Accounting policies selected were applied consistently and the judgments and estimates related to the financial statements have been made on a prudent and reasonable basis, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017, and, of the profit of the Company for the year ended on that date;
- c. Proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Act, to safeguard the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. Requisite internal financial controls were laid down and that such financial controls are adequate and operating effectively; and
- e. Proper systems have been devised to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

PARTICULARS OF EMPLOYEES.

Requisite disclosures in terms of the provisions of Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 along with statement showing names and other particulars of the employees drawing remuneration in excess of the limits prescribed under the said rules is annexed to this report as **ANNEXURE - VI**.



HUMAN RESOURCES:

The Directors express their appreciation for the contribution made by the employees during the year. The Human Resources have always been the Company's valuable asset and the Company's thrust area is to attract, develop and retain talent. The Company continues to operate the open culture and has maintained congenial work atmosphere and healthy industrial relations.

The total headcount of the Company as on March 31, 2017 was 1,508.

CAUTIONARY STATEMENT.

Statements in this Report and annexures to this Report which describes the Company's objectives, projects, estimates, expectations may contain "forward looking statements" within the meaning of applicable laws and regulations. The success in realizing these depends on various internal and external factors. The actual results may be different from what the Directors / Management envisage in terms of future performance and outlook.

ACKNOWLEDGEMENTS.

Your Board takes this opportunity to place on record their appreciation for the dedication and commitment of employees shown at all levels that have contributed to the success of your Company. Your Directors also express their gratitude for the valuable support and co-operation received from the Central and State Governments including Ministry of Chemicals and Fertilizers, Ministry of Health and Family Welfare, Ministry of Human Resource Development and other stakeholders including Bankers, Financial Institutions, Investors, Service Providers as well as regulatory and government authorities.

For and on behalf of the Board

**Place: Mumbai
Date: 11 September 2017**

**Sd/-
Bharat Daftary
Chairman and Managing Director**



BHARAT SERUMS AND VACCINES LIMITED

ANNEXURE INDEX

Annexure No.	Content
I.	Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo.
II.	Form AOC – 1
III.	AOC 2 – Related Party Transactions disclosure.
IV.	Corporate Social Responsibility.
V.	MGT 9 – Extracts of Annual Return.
VI.	Particulars of Remuneration of Employees.

ANNEXURE - I

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO.

(The information required to be provided under Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014.)

Conservation of Energy:

i.	Steps taken or impact on conservation of energy.	For energy conservation following steps taken to run utility with close monitoring of equipment's: - a. Running alternate small capacity systems during extra working hours; b. Running lower capacity utility equipment during non-operating hours; c. Operations of utility are done based on process requirement i.e. No of chiller, AHU's Cooling system and other utility; d. Installation of new cooling system is in process to increase efficiency of chillers leading to reduced chiller rating; e. Installation of VFD for some continuous running equipment's like Air compressor, AHU's etc. done which will lead to minimized electrical consumptions f. Equipment Efficiency Improved by maintaining Power factor of APFCR control panels to save energy; g. Installation of Building Management system done for HVAC to run system with controlled parameters; h. Phase wise replacement of some of the Electrical CFL fitting to LED fitting done to save energy.
ii.	Steps taken by the Company for utilizing alternate sources of energy.	Company has switched over to Biodiesel from LDO.
iii.	Capital investment on energy conservation equipment.	Upgradation of effluent treatment plant with MBR Technology is in process. It will save Electricity load as MBR Technology is filtration Technology.

Technology Absorption:

i.	The efforts made towards technology absorption.	Company has made effort towards the development of The NDDS R&D continued strategy of pursuing "Difficult Generic" products for the Indian markets and for global markets – the Company has indigenously developed Hormone Implant formulation which is for the 1st time in India.
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ii.	the benefits derived like product improvement, cost reduction, product development or import substitution.	<p>a. With process optimization, the Company has achieved significant improvement in yields of Serum Products;</p> <p>b. With better process controls, the company has achieved substantial yield improvement in one of its GNRH analogue product;</p> <p>c. Higher capacity Spray dryer was installed and Antifungal powder API for Injectables is now being processed in house; further, batch size has been increased significantly, also, substantial yield improvement was achieved;</p> <p>d. Integrated lines & higher capacity lyophilizer was installed in Unit 1 production A and made functional from Feb-17 onwards;</p> <p>e. Many of indigenously outsourced products have been converted from P2P basis to loan license arrangement leading to substantial cost reduction in these products;</p> <p>f. With most of testing happening in -house now, overall all testing cost has come down substantially;</p> <p>g. With substitution of imported Rubber Bungs with indigenous ones, cost of Rubber Bungs has come down significantly;</p> <p>h. Company is also in the process of commissioning of Immunoglobulin API which will substitute the API which is currently imported from USA.</p>
iii.	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):-	<i>Company has not imported any technology hence information below is not applicable.</i>
	(a) the details of technology imported	N.A.
	(b) the year of import	N.A.
	(c) whether the technology been fully absorbed	N.A.
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	N.A.
iv.	the expenditure incurred on Research and Development	N.A.

Foreign Exchange Earning and Outgo:

During the year under review, there were INR 13,607.67 Lakhs as Foreign Exchange Earnings and INR 14,928.41 Lakhs as foreign exchange outgoing and details of same are given in Note no. 43, 44 & 47 of the Notes to Accounts forming part of the Annual Accounts.

For and on behalf of the Board

Place: Mumbai
Date: 11 September 2017

Sd/-
Bharat Daftary
Chairman and Managing Director



ANNEXURE - II

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 as per Companies Act, 2013 for the year ended March 31, 2017.

PART "A": SUBSIDIARIES

(Information in respect of each subsidiary is to be presented with amounts in Rupees in Lakhs)

Name of Subsidiary	Reporting Currency	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments (other than subsidiary)	Turnover	Profit before taxation	Profit After taxation	Proposed dividend	Mode & % of shareholding
BSV Biosciences Inc., USA	\$	1,000,000 shares of US \$ 1 each	(480.73)	6.44	45.35	NIL	460.33	12.52	11.98	NIL	100%
BSV Bioscience GmbH, Germany	€	Capital Stock € 1,025,000	389.35	3,912.72	2,663.11	NIL	9,094.29	310.18	310.18	NIL	100%
BSV Biosciences Philippines Inc, Philippines	₹	10,000,000 shares of ₹ Peso 1 each	N.A.	148.99	7.12	NIL	N.A.	N.A.	N.A.	N.A.	100%

Notes:

- Names of subsidiaries which are yet to commence operations - NA
- Names of subsidiaries which have been liquidated or sold during the year. N.A.

Part "B": ASSOCIATES & JOINT VENTURES

Name of Associates/ Joint Ventures	Latest audited balance sheet date	Shares of Associates/ Joint Venture held by the Company on the year end March 31, 2015		Profit/Loss for the year		Description of how there is significance influence	Reason why associate/ joint venture is not consolidated
		Numbers	Amount of Investment in Associates/ Joint Ventures	Extent of Holding %	Networth attributable to Shareholding as per latest audited Balance Sheet		
N.A.							

For and on behalf of the Board

Sd/-
Bharat Daftary
Chairman and Managing Director

Place: Mumbai
Date: 11 September 2017



BHARAT SERUMS AND VACCINES LIMITED

ANNEXURE - III

PARTICULARS OF RELATED PARTY TRANSACTIONS Form No. AOC-2

*(Pursuant to clause (h) of sub-section (3) of section 134
of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)*

Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis:-

Name(s) of the related party and nature of relationship	The Company has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2016-17.
Nature of contracts/arrangements/transactions	
Duration of the contracts / arrangements/transactions	
Salient terms of the contracts or arrangements or transactions including the value, if any	
Justification for entering into such contracts or arrangements or transactions	
Date(s) of approval by the Board	
Amount paid as advances, if any	
Date on which the special resolution was passed in general meeting as required under first proviso to section 188.	

2. Details of material contracts or arrangement or transactions at arm's length basis:-

Name(s) of the related party and nature of relationship.	BSV Bioscience GmbH, Wholly Owned Subsidiary of the Company.
Nature of contracts/ arrangements/ transactions.	Purchase of Active Pharmaceuticals Injections (API).
Duration of the contracts / arrangements/transactions.	An agreement entered with effect from April 01, 2014 for a term of 3 years, renewable on similar and mutually agreeable terms.
Salient terms of the contracts or arrangements or transactions including the value, if any.	As Transfer Pricing get change on yearly basis.
Date(s) of approval by the Board, if any.	Not Applicable, since the contracts/ arrangements/ transactions was entered into an ordinary course of business and on arm's length basis.
Amount paid as advances, if any.	NIL.

For and on behalf of the Board

**Place: Mumbai
Date: 11 September 2017**

**Sd/-
Bharat Daftary
Chairman and Managing Director**



BHARAT SERUMS AND VACCINES LIMITED

ANNEXURE - IV

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

Your Company shall undertake the CSR activities listed in Schedule VII of the Companies Act, 2013 or any amendment thereof.

A brief outline of the Company's Corporate Social Responsibility (CSR) policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs is as follows:-

https://www.bharatserums.com/policy/CSR_Policy.pdf

During the financial year 2016-2017 Company has donated INR 45.43 Lakhs to the Prime Minister Relief Funds from the accumulated amount. Further to that, during the period under review i.e. as on date of the Board Report, Company has donated INR 12.25 Lakhs to Rotary Club of Bombay towards their project "Bhavishya Yaan", a project related with a life skill enhancement program for children in various Municipal Schools with a focus on conversational English, Computer literacy, E-Learning and life skills. The Company has also donated INR 4 lakhs to Americares, India towards their research & study program in Women Health Quality from the accumulated amount. Further to this the Company is in the process of identifying suitable project which qualifies CSR activities.

The Composition of the CSR Committee is as follows:-

Mr. Ajeet Singh Karan – Chairman and Independent Director.

Mr. Bharat V. Daftary – Member.

Dr. Gautam V. Daftary – Member.

Average net profit of the Company for last three financial years is:- INR 4,862.31 Lakhs.

Prescribed CSR Expenditure for the financial year 2016-17 is: INR 97.25 Lakhs

Details of CSR spent during the financial year is: INR 45.43 Lakhs.

Amount unspent, if any: INR 180.98 Lakhs.

Reason for not spending the amount:-

The Company is in the process of identifying the suitable projects in the area of Education, Research/ Study and Healthcare in rural areas for the CSR purpose and planning to spend the amount in the coming months.

Responsibility statement:-

Pursuant to the Companies (Corporate Social Responsibility Policy) Rules, 2014, it is confirmed that the CSR Committee states that the implemented and monitored CSR Policy, is in compliance with CSR objectives and policy of the Company.

For and on behalf of the Board

**Place: Mumbai
Date: 11 September 2017**

**Sd/-
Bharat Daftary
Chairman and Managing Director**



BHARAT SERUMS AND VACCINES LIMITED

ANNEXURE - V

MGT-9 EXTRACT OF ANNUAL RETURN As on the financial year ended on March 31, 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

1.	CIN	U24230MH1971PLC015134
2.	Registration Date	April 29, 1971
3.	Name of the Company	Bharat Serums and Vaccines Ltd.
4.	Category / Sub-Category of the Company	Company Limited by Share/ Indian Non- Government Company
5.	Address of the Registered office and contact details	17th Floor, Hoechst House, Nariman Point, Mumbai- 21
6.	Whether listed company	No
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt Limited, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078, Tel: 022 2594 6970.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
1.	BSV is inter alia engaged in the business of research, development, manufacturing, marketing and sales of biopharmaceutical and pharmaceutical products in India and Overseas Market.	21001,21002,7210	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:-

Sr. No.	Name, Address & CIN of the Company	% of Shares held	Applicable Section
1.	Holding Company	N.A.	N.A.
	NIL		
2.	Subsidiary Companies- Overseas	100%	2(87)(ii)
	BSV Bioscience GmbH, Max-Planck-Strabe, 1252499 Baesweiler Germany.		
	BSV Biosciences Inc. 380, Woodview Avenue, Morgan Hill, CA 95037, USA		
	BSV Bioscience Philipines Inc. 3805, One San Miguel, Ave, Condominium, San Miguel Ave, Corner Shaw Boulevard, Pasig City 1600, Philipines.	100%	2(87)(ii)
3.	Associate Company	N.A.	N.A.
	NIL		



IV. SHAREHOLDING PATTERN (Equity Share Capital Break- up as percentage of Total Equity):-

i) Shareholding of Individuals:-

Category of Shareholders	No. of Shares held at the beginning of the year (As on April 01, 2016)				No. of Shares held at the end of the year (As on March 31,2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian	0	0	0		0	0	0	0	0
a) Individual/HUF	36,79,640	92,06,648	1,28,86,288	76.43	1,25,97,139	3,092	1,26,00,231	67.25	(9.18)
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt (s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.		9,00,000	9,00,000	5.34	9,27,864	0	9,27,864	4.95	0.39
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other....				0				0	0
Sub-total (A) (1):-	36,79,640	1,01,06,648	1,37,86,288	81.77	1,35,25,003	3,092	1,35,28,095	72.20	(8.79)
(2) Foreign									
a) NRIs – Individuals	0	0	0	0	0	0	0	0	0
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A) (1)+(A)(2)	36,79,640	1,01,06,648	1,37,86,288	81.77	1,35,25,003	3,092	1,35,28,095	72.20	(8.79)
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	12,01,801	0	12,01,801	7.13	19,85,614	13,54,007	33,39,621	17.83	10.71
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	12,01,801	0	12,01,801	7.13	19,85,614	13,54,007	33,39,621	17.83	10.70
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	1,84,713	0	1,84,713	1.10	4,19,193	0	4,19,193	2.24	1.14
ii) Overseas	11,07,046	39	11,07,085	6.57	8,51,004	0	8,51,004	4.54	(2.03)
b) Individuals									
i) Individual shareholders holding nominal share capital upto INR 1 lakh	0	2,30,420	2,30,420	1.37	309	2,37,244	2,37,553	1.27	(0.10)
ii) Individual shareholders holding nominal share capital in excess of INR 1 lakh	1,35,750	2,13,000	3,48,750	2.07	3,59,547	0	3,59,547	1.92	(0.15)
c) Others (specify)									
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Trusts	0	0	0	0	0	0	0	0	0



BHARAT SERUMS AND VACCINES LIMITED

Non-Resident Indians	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	14,27,509	4,43,459	18,70,968	11.11	16,30,053	2,37,244	18,67,297	9.97	(1.14)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	26,29,310	4,43,459	30,72,769	18.24	36,15,667	15,91,251	52,06,918	27.80	9.56
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	63,08,950	1,05,50,107	1,68,59,057	100	1,71,40,670	15,94,343	1,87,35,013	100	0.77

ii) Shareholding of Promoters:-

Sr. No.	Shareholder Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	No. of Shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	
1	Mr. Bharat V. Daftary (HUF)	7,76,990	4.60	0	4,58,538	2.45	0	(2.15)
2	Dr. Gautam Daftary (HUF)	7,76,990	4.60	0	4,58,538	2.45	0	(2.15)
3	Dr. Vinod Daftary (HUF)	750	0.00	0	773	0.00	0	0
4	Dr. Gautam Daftary	28,76,797	17.06	0	29,65,862	15.83	0	(1.23)
5	Master Akshay G. Daftary Jointly with Ms. Aarti G. Daftary	750	0.00	0	773	0.00	0	0
6	Mr. Siddharth B. Daftary Jointly with Ms. Bhavna Daftary	750	0.00	0	773	0.00	0	0
7	Smt. Ansuya V. Daftary jointly with Dr. Vinod Daftary	750	0.00	0	773	0.00	0	0
8	Mr. Bharat V. Daftary	28,76,797	17.06	0	29,65,862	15.83	0	(1.23)
9	Mr. Bharat V. Daftary Jointly with Ms. Bhavna Daftary	17,75,357	10.53	0	18,30,322	9.77	0	(0.76)
10	Dr. Gautam V. Daftary Jointly with Ms. Aarti Daftary	17,75,357	10.53	0	18,30,322	9.77	0	(0.76)
11	Ms. Aarti Daftary Jointly with Dr. Gautam Daftary	10,12,500	6.00	0	10,43,847	5.57	0	(0.03)
12	Aksipro Diagnostic Pvt. Ltd.	9,00,000	5.34	0	9,27,864	4.95	0	(0.39)
13	Ms. Bhavna Daftary Jointly with Mr. Bharat Daftary	10,12,500	6.00	0	10,43,847	5.57	0	(0.03)
TOTAL		1,37,86,288	81.77	0	1,37,86,288	72.21	0	(9.56)



iii) Change in Promoters' Shareholding:-

Sr. No.	Particulars For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Equity shares of the Company	No. of Shares	% of total Equity shares of the Company
1	Mr. Bharat V. Daftary (H.U.F.)				
	At the beginning of the year	7,76,990	4.15	-	-
	Purchase(s) during the year	-	-	-	-
	Sales(s) during the year	3,32,222	1.77	4,44,768	2.38
	Bonus Issue	13,770	0.07	4,58,538	2.45
	At the end of the year	-	-	4,58,538	2.45
2	Dr. Gautam V. Daftary (H.U.F.)				
	At the beginning of the year	7,76,990	4.15	-	-
	Purchase(s) during the year	-	-	-	-
	Sales(s) during the year	3,32,222	1.77	4,44,768	2.38
	Bonus Issue	13,770	0.07	4,58,538	2.45
	At the end of the year	-	-	4,58,538	2.45
3	Dr. Vinod Daftary (H.U.F.)				
	At the beginning of the year	750	0.00	-	-
	Purchase(s) during the year	-	-	-	-
	Sales(s) during the year	-	-	-	-
	Bonus Issue	23	0.00	773	0.00
	At the end of the year	-	0.00	773	0.00
4	Dr. Gautam V. Daftary				
	At the beginning of the year	28,76,797	15.36	-	-
	Purchase(s) during the year	-	-	-	-
	Sales(s) during the year	-	-	-	-
	Bonus Issue	89,065	0.48	29,65,862	15.84
	At the end of the year	-	-	29,65,862	15.84
5	Mr. Akshay Daftary				
	At the beginning of the year	750	0.00	-	-
	Purchase(s) during the year	-	-	-	-
	Sales(s) during the year	-	-	-	-
	Bonus Issue	23	0.00	773	0.00
	At the end of the year	-	-	773	0.00
6	Mr. Siddharth Daftary				
	At the beginning of the year	750	0.00	-	-
	Purchase(s) during the year	-	-	-	-
	Sales(s) during the year	-	-	-	-
	Bonus Issue	23	0.00	773	0.00
	At the end of the year	-	-	773	0.00
7	Ms. Ansuja Daftary jointly with Mr. Vinod Daftary				
	At the beginning of the year	750	0.00	-	-
	Purchase(s) during the year	-	-	-	-
	Sales(s) during the year	-	-	-	-
	Bonus Issue	23	0.00	773	0.00
	At the end of the year	-	-	773	0.00



8	Mr. Bharat V. Daftary				
	At the beginning of the year	28,76,797	15.36	-	-
	Purchase(s) during the year	-	-	-	-
	Sales(s) during the year	-	-	-	-
	Bonus Issued	89,065	0.48	29,65,862	15.84
	At the end of the year	-	-	29,65,862	15.84
9	Mr. Bharat V Daftary jointly with Ms. Bhavna Daftary				
	At the beginning of the year	17,75,357	9.48	-	-
	Purchase(s) during the year	-	-	-	-
	Sales(s) during the year	-	-	-	-
	Bonus Issue	54,965	0.29	18,30,322	9.77
	At the end of the year	-	-	18,30,322	9.77
10	Dr. Gautam V. Daftary jointly with Ms. Aarti G. Daftary				
	At the beginning of the year	17,75,357	9.48	-	-
	Purchase(s) during the year	-	-	-	-
	Sales(s) during the year	-	-	-	-
	Bonus Issue	54,965	0.29	18,30,322	9.77
	At the end of the year	-	-	18,30,322	9.77
11	Ms. Aarti G. Daftary jointly with Dr. Gautam Daftary				
	At the beginning of the year	10,12,500	5.40	-	-
	Purchase(s) during the year	-	-	-	-
	Sales(s) during the year	-	-	-	-
	Bonus Issue	31,347	0.17	10,43,847	5.57
	At the end of the year	-	-	10,43,847	5.57
12	Aksipro Diagnostics Pvt. Ltd.				
	At the beginning of the year	9,00,000	4.80	-	-
	Purchase(s) during the year	-	-	-	-
	Sales(s) during the year	-	-	-	-
	Bonus Issue	27,864	0.15	9,27,864	4.95
	At the end of the year	-	-	9,27,864	4.95
13	Ms. Bhavna Daftary Jointly with Mr. Bharat Daftary				
	At the beginning of the year	10,12,500	5.40	-	-
	Purchase(s) during the year	-	-	-	-
	Sales(s) during the year	-	-	-	-
	Bonus Issue	31,347	0.17	10,43,847	5.57
	At the end of the year	-	-	10,43,847	5.57



iv) Shareholding pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs & ADRs) :-

Sr. No.	Particulars For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Equity shares of the Company	No. of Shares	% of total Equity shares of the Company
1	Orbimed Asia Mauritius Limited				
	At the beginning of the year	6,99,358	3.73	-	-
	Purchase(s) during the year	-	-	-	-
	Sales(s) during the year	-	-	-	-
	Bonus Issue	21,652	0.12	7,21,010	3.85
	Conversion of Pref to Equity	13,54,007	7.23	20,75,017	11.08
	At the end of the year	-	-	20,75,017	11.08
2	Orbimed Asia II Mauritius FVCI Investments Limited				
	At the beginning of the year	-			
	Purchase(s) during the year	12,26,579	6.55	12,26,579	6.55
	Sales(s) during the year	-	-	-	-
	Bonus Issue	37,975	0.20	12,64,554	6.55
	At the end of the year	-	-	12,64,604	6.75
3	Kotak India Private Equity Fund III (Kotak II)				
	At the beginning of the year				
	Purchase(s) during the year	8,25,400	4.41	-	-
	Sales(s) during the year	-	-	-	-
	Bonus Issue	25,554	0.14	8,50,954	4.55
	At the end of the year	-	-	8,51,004	4.55
4	Kotak Mahindra Old Mutual Life Insurance Limited (KLI)				
	At the beginning of the year				
	Purchase(s) during the year	1,58,309	0.84	-	-
	Sales(s) during the year	-	-	-	-
	Bonus Issue	4,901	0.03	1,63,210	0.87
	At the end of the year	-	-	1,63,210	0.87
5	Agcotech Pharmaceuticals LLP				
	At the beginning of the year	1,55,562	0.83	-	-
	Purchase(s) during the year	-	-	-	-
	Sales(s) during the year	-	-	-	-
	Bonus Issue	4,816	0.02	1,60,378	0.85
	At the end of the year	-	-	1,60,378	0.85
6	Ms. Sarla H. Kothari				
	At the beginning of the year	1,35,750	0.72	-	-
	Purchase(s) during the year	-	-	-	-
	Sales(s) during the year	-	-	-	-
	Bonus Issue	4,203	0.02	1,39,953	0.74
	At the end of the year	-	-	1,39,953	0.74
7	Mr. Shirish Daftary				
	At the beginning of the year	1,06,500	0.57	-	-
	Purchase(s) during the year	-	-	-	-
	Sales(s) during the year	-	-	-	-
	Bonus Issue	3,297	0.02	1,09,797	0.59
	At the end of the year	-	-	1,09,797	0.59



8	Mr. Sindhu Daftary				
	At the beginning of the year	1,06,500	0.57	-	-
	Purchase(s) during the year	-	-	-	-
	Sales(s) during the year	-	-	-	-
	Bonus Issue	3,297	0.02	1,09,797	0.59
	At the end of the year	-	-	1,09,797	0.59
9	Kotak India Growth Fund III (Kotak India)				
	At the beginning of the year				
	Purchase(s) during the year	92,734	0.49	92,734	0.49
	Sales(s) during the year	-	-	-	-
	Bonus Issue	2,871	0.02	95,605	0.51
	At the end of the year	-	-	95,605	0.51
10	Ms. Kavita Khanna				
	At the beginning of the year	88,120	0.47	-	-
	Purchase(s) during the year	-	-	-	-
	Sales(s) during the year	-	-	-	-
	Bonus Issue	2728	0.01	90,848	0.48
	At the end of the year	-	-	90,848	0.48

v) Shareholding of Directors and Key Managerial Personnel:

Details of changes in the shareholding of Directors of the Company who held/hold Equity Shares of the Company are as mentioned herein. None of the other Directors / Key Managerial Personnel of the Company held any Equity Shares of the Company either at the beginning of the year i.e. April 1, 2016 or at the end of the year i.e. March 31, 2017 or dealt in the Equity Shares of the Company during financial year ended March 31, 2017.

Shareholding at the beginning of the year i.e. April 1, 2016		Changes during the year			Cumulative Shareholding during the year	
No. of Shares	% of Equity Capital	Date	No. of Shares	Reason	No. of Shares	% of Equity Capital
Mr. Bharat Daftary Chairman & Managing Director						
28,76,797	17.06	March 20, 2017	89,065	Bonus Issue	29,65,862	15.83
Dr. Gautam Daftary Vice Chairman & Managing Director						
28,76,797	17.06	March 20, 2017	89,065	Bonus Issue	29,65,862	15.83
Mr. Siddharth B. Daftary Jointly with Ms. Bhavna Daftary (Being Mr. Siddharth B. Daftary as Whole-time Director)						
750	0.00	March 20, 2017	23	Bonus Issue	773	0.00
Mr. Bharat V. Daftary Jointly with Ms. Bhavna Daftary (Being Mr. Bharat Daftary as Chairman & Managing Director)						
17,75,357	10.53	March 20, 2017	54,965	Bonus Issue	18,30,322	9.77
Dr. Gautam Daftary Jointly with Ms. Aarti Daftary (Being Dr. Gautam Daftary as Vice Chairman & Managing Director)						
17,75,357	10.53	March 20, 2017	54,965	Bonus Issue	18,30,322	9.77
Mr. Anil Damle (Being Chief Financial Officer)						
NIL	NA	NA	NIL	NA	NIL	NA
Mr. Charudatta Samant (Being Company Secretary)						
NIL	NA	NA	NIL	NA	NIL	NA



V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

(INR In Lakhs)

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposit	Total Indebtedness
At the beginning of the financial Year				
(i) Principal Amount	18,096.55	681.99	-	18,778.54
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	177.06	20.46	-	197.52
Total (i+ii+iii)	18,273.61	702.45	-	18,976.06
Change in Indebtedness during the Financial Year				
Addition	-	-	-	-
Reduction	3,129.92	140.49	-	3270.41
Exchange diff	(7.43)	-	-	(7.43)
Net Change	3122.49	140.49	-	3,262.98
Indebtedness at the end of the Financial Year				
(i) Principal Amount	14,973.46	545.59	-	15,519.05
(ii) Interest due but not paid	-	-	-	-
(iii) Interest accrued but not due	177.66	16.37	-	194.03
Total (i+ii+iii)	15,151.12	561.96	-	15,713.08

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manger:-

(INR In Lakhs)

Sr. No.	Particulars of Remuneration	Mr. Bharat Daftary- Managing Director	Dr. Gautam Daftary Managing Director	Mr. Girish Bakre Whole time Director*	Mr. Milind Vaidya Whole time Director**	Mr. Siddharth Daftary Whole time Director	Total Amount
1.	Gross Salary	167.99	149.99	46.36	59.88	19.49	443.71
	Salary	0	0	0	0	0	0
	Perquisites	0	0	0	0	0	0
	Profits in lieu of salary	0	0	0	0	0	0
2.	Stock Options	0	0	0	0	0	0
3.	Sweat Equity	0	0	0	0	0	0
4.	Commission	0	0	0	0	0	0
	As % of profit	0	0	0	0	0	0
	Others, specify	0	0	0	0	0	0
5.	Others (Contribution to provident fund)	0	18.00	0	0	2.34	20.34
	Total (A)	167.99	167.99	46.36	59.88	21.83	443.71
Ceiling as per the Act		10% of the profits as per Section 198 of the Companies Act, 2013.					

B. Remuneration to other Directors:

(INR In Lakhs)

Name of Directors	Sitting Fees	Commission	Others	Total
Independent Directors				
Mr. Manu Daftary	0	-	-	0
Mr. Ajeet Singh Karan	2.30	-	-	2.30
Mr. Suketu Shah	2.38	-	-	2.38
Ms. Nafeesa Moloobhoy	1.11	-	-	1.11
Total	5.79	-	-	5.79



BHARAT SERUMS AND VACCINES LIMITED

Nominee Directors					-
Mr. Nitin Deshmukh***	0.44	-	-	-	0.44
Mr. Sunny Sharma	1.88	-	-	-	1.88
Total	2.32	-	-	-	2.32
Grand Total	8.11	-	-	-	8.11
Overall Ceiling as per the Act	INR 1,00,000 per Meeting of the Board or Committee thereof as per Section 197 read with Rule 4 of Companies (Appointment and Managerial Remunerating) Rules, 2014.				

C. Remuneration to Key Managerial Personnel (Other than Managing Director, Whole-time Directors and/or Manager):-

(INR In Lakhs)

Sr. No.	Particulars of Remuneration	Mr. K.V. BalaSubramaniam (CEO)****	Mr. Anil Damle (CFO)	Mr. Charudatta Samant (Company Secretary)*****	Total Amount
1.	Gross Salary	113.79	55.24	13.63	182.66
	Salary	-	-	-	-
	Perquisites	-	-	-	-
	Profits in lieu of salary	-	-	-	-
2.	Stock Options	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	As % of profit	-	-	-	-
	Others(Bonus)	0.06	0.17	0.07	0.30
5.	Others (Contribution to provident fund)	6.22	2.99	0.77	9.98
Total (A)		120.07	58.40	14.47	192.94
Ceiling as per the Act		10% of the profits as per Section 198 of the Companies Act, 2013.			

* Resigned w.e.f. August 31, 2016.

** Resigned w.e.f. October 20, 2016.

***Resigned w.e.f. September 27, 2016.

****Resigned w.e.f. February 27, 2017.

*****Appointment w.e.f. August 4, 2016

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

Neither the Company nor any of its Directors or Officers in default were penalized / punished for violation of any of the provisions of Companies Act, 1956 or 2013, by any of the regulatory authorities under the Act. Further no application was made by the Company or its Directors or Officers in Default for compounding of any of the provisions of the Act and therefore information in this regard is Nil.

For and on behalf of the Board

Sd/-
Bharat Daftary
Chairman and Managing Director

Place: Mumbai
Date: 11 September 2017



BHARAT SERUMS AND VACCINES LIMITED

ANNEXURE - VI

PARTICULARS OF REMUNERATION OF EMPLOYEES

(Pursuant to Section 197 read with Rule 5 of Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014)

- i. The information required under Section 197 of the Act read with Rule 5(1)(vii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014) is given below:-

(INR in Lakhs)

Requirements	Disclosures	
	Particulars	Net worth
Variations in the Networth of the Company, as at the closing date of the current and previous financial year.	March 31, 2017	32,909.32
	March 31, 2016	25,595.63
	Change %	28.57%

- ii. Particulars of Employees whose remunerations exceeded INR 102 Lakhs per annum or INR 8.50 Lakhs per month during F.Y.2016-17.
- a. Employed throughout the year and in receipt of remuneration aggregating INR 8.50 Lakhs per month or INR 102 Lakhs or more per annum.

Name of Employee	Age	Designation	Remuneration Total (INR In Lakhs)	Qualification	Experience in years	Date of Joining	Last Employment
Mr. Bharat Daftary	61 years	Chairman & Managing Director	167.99	B.Sc.	33 years	01.06.1984	Nil
Dr. Gautam Daftary	57 years	Vice- Chairman & Managing Director	167.99	M.B.B.S.	34 years	01.04.1983	Nil
Mr. Girish Bakre*	56 years	Executive Director	46.36	C.A.	57 years	01.06.2012	Femicare Limited
Mr. Milind Vaidya**	59 years	Executive Director	59.88	B.S.C.	32 years	01.12.2013	Eureka Forbes Limited
Mr. K. V. Balasubramaniam***	59 years	CEO	120.07	BE- Mechanical, PGDBM	36 years	22.04.2016	Indian Emmunological Limited
Mr. Harjeet Singh	54 years	President - Export	146.65	MBA	32 years	28.03.2016	Torrent Pharmaceuticals Limited

* During the FY 2016-2017, Resigned from Directorship w.e.f. August 31, 2016.

** During the FY 2016-2017, Resigned from Directorship w.e.f. October 20, 2016.

*** Resigned w.e.f. February 27, 2017.

Notes:

- a. All appointments are contractual and terminable by notice on either side;
- b. None of the employees, except Mr. Bharat Daftary & Dr. Gautam Daftary are related to any of the Directors;
- c. Remuneration includes Salary, Allowances, and Company's Contribution to Provident Fund, Medical Benefits, Leave Travel Allowance & Other Perquisites and benefits valued on the basis of the provisions of Income Tax Act, 1961.

For and on behalf of the Board

Sd/-
Bharat Daftary
Chairman and Managing Director

Place: Mumbai
Date: 11 September 2017



BHARAT SERUMS AND VACCINES LIMITED

SECRETARIAL AUDIT REPORT

Form No. MR-3

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2017

[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]

The Members,
Bharat Serums and Vaccines Limited,
17th Floor, Hoechst House,
Nariman Point, Mumbai 400021.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Bharat Serums and Vaccines Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2017 (hereinafter called 'audit period'), 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2017 according to the provisions of:

- i. The Companies Act, 2013 (hereinafter called 'the Act') and the rules made thereunder;
- ii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

The following Regulations and Guidelines are 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, 1992;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- And
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

We report that, the Company being an Unlisted Company during audit period, all of the above Regulations / Guidelines from a. to h. as listed above were not applicable to the Company.

As per information provided to us following regulation specifically applies to the type of activities undertaken by the Company.



Drugs (Price control) Order 2013.

We have also examined compliance with the applicable clauses of the following:

Secretarial Standards issued by The Institute of Company Secretaries of India.

During the audit period, the Company has generally complied with the provisions of the Act, Rules, Regulations and Guidelines, standards etc. mentioned above except non / delayed filing of certain forms.

We 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 except to the extent of attaining desired composition of the retiring / non-retiring Directors for part of the period. There was a change in the composition of the Board of Directors during audit period.

Adequate notice of at least seven days was given to all Directors to schedule the Board Meetings. Agenda and detailed notes on agenda are sent generally seven days 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.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company which commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has:

- a. issued 3,69,135 CCPS of Rs.5/- each at a premium of Rs.807.71/- per share.
- b. Issued 5,21,949 bonus shares of Rs.5/- each

For JHR & Associates
Company Secretaries

Sd/-
J. H. Ranade
(Proprietor)
FCS: 4317, CP: 2520

Place: Thane
Date: 05th September, 2017



The Members,
Bharat Serums and Vaccines Limited,
17th Floor, Hoechst House,
Nariman Point, Mumbai 400021.

Our Secretarial Audit Report of even date is to be read along with this letter.

Management's Responsibility:

- 1) It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility:

- 2) Our responsibility is to express an opinion on these secretarial records, systems, standards and procedures based on our audit.
- 3) Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer:

- 4) 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 JHR & Associates
Company Secretaries

Sd/-
J. H. Ranade
(Proprietor)
FCS: 4317, CP: 2520

Place: Thane
Date: 05th September, 2017



COMPANY'S PHILOSOPHY:

The Company's vision is to be innovative, caring and trustworthy partner in bringing life to life and the philosophy on Corporate Governance is to conduct its business in an efficient, responsible, honest, transparent and ethical manner. The Company's vision becomes the guiding principles in all face of operations which helps the Company to achieve/exceed its objectives. Corporate Governance goes beyond compliance and it involves Company wide commitment. This commitment starts with Board of Directors, which executes its corporate governance responsibilities by focusing on the Company's strategic and operational excellence in the best interest of all our stakeholders.

The Company believes that sound corporate practices based on transparency, accountability and high level of integrity, in the functioning of the Company, is essential for the long term enhancement of the shareholders/stakeholders value and interest. It encompasses achieving the balance between shareholders' interest and corporate goals through the efficient conduct of its business and meeting its stakeholder obligations. Corporate Governance is about commitment to values and about the ethical business conduct.

Our endeavour is to adopt the best governance and disclosure practice by giving the timely and accurate disclosure of information regarding the financial situation, performance, ownership and governance of the Company. We believe that the good Corporate Governance practices, is a key driver of sustainable corporate growth and long-term value creation for the shareholders/stakeholders.

BOARD OF DIRECTORS:

a) **Composition and Category of Directors:**

The total strength of your Board presently is Twelve Directors, which consists of two Managing Directors and two Whole-time Directors who are Executive Directors, and Eight Non-Executive Directors out of which two are Nominee Directors and Six are Independent Directors. Mr. Bharat V. Daftary is a Chairman and Managing Director, Dr. Gautam V. Daftary is a Vice Chairman and Managing Director, Mr. Siddharth Daftary, Mr. Girish Bakre are the Executive Directors of the Company. Mr. Bharat V. Daftary, Dr. Gautam V. Daftary, Mr. Siddharth Daftary and Mr. Girish Bakre conduct day-to-day business of the Company, subject to the supervision and control of the Board of Directors. The Independent Directors on the Board are professional and technocrats, who are senior, competent and highly respectable persons from their respective fields of medical research, finance and law. All the Directors have an in-depth knowledge of the industry.

The brief profile of the Directors of the Company is as under:-

- i. **Mr. Bharat V. Daftary**, Chairman and Managing Director of the Company, has been involved with the business affairs of the Company since over three decades. He plays an important role in the marketing function and in development of global relationships. He spearheads the strategic planning of the Company. He is related to Dr. Gautam Daftary, Vice Chairman and Managing Director of the Company and Mr. Siddharth B. Daftary, Whole-time Director of the Company.*
- ii. **Dr. Gautam Daftary**, a medical Doctor, is the Vice Chairman and Managing Director of the Company and is primarily responsible for R&D activities and technical matters. His knowledge and expertise in the fields of microbiology, oncology, allergies and psychiatrics has led him to being instrumental in providing the necessary thrust in the R&D activities of the Company. He is related to Mr. Bharat Daftary, Chairman and Managing Director of the Company and Mr. Siddharth B. Daftary, Whole-time Director of the Company.*
- iii. **Mr. Siddharth B. Daftary** has graduated with a Bachelor of Science degree in Life Sciences from the University of Mumbai and holds Master of Science degree in Molecular & Genetic Medicine from the University of Sheffield, England. Mr. Siddharth Daftary is Whole-time Director in a Company and is presently looking after the business development activities in Bharat Serums & Vaccines Ltd. He also actively involved in the business development, sales and operational activities of Advy Chemical, a diagnostic sister concern of Bharat Serums & Vaccines Ltd. He is related to Mr. Bharat Daftary, Chairman and Managing Director of the Company and Dr. Gautam Daftary, Vice Chairman and Managing Director of the Company.*



- iv. **Mr. Girish Bakre**, a Chartered Accountant by profession has more than two decades of experience in the field of General Management and Finance. Prior to his appointment as an Executive Director of the Company, he has been involved with the business affairs of the Company from FY 2013-2014. He plays an important role in finance and in development of global relationships.
- v. **Mr. Nitin Deshmukh** is CEO – Private Equity at Kotak Investment Advisors Ltd the Alternate Assets business of Kotak group which has USD \$ 1.4 bn. funds currently under management. With over 23 years of experience in Private Equity investing, he has lead and managed investments in over 80 companies, a significant number of which have grown at a scorching pace attaining leadership position in their respective sectors. Prior to taking up the current assignment at Kotak in June 2004, He was Director, Private Equity at Dresdner Kleinwort Capital. Prior to joining Dresdner, Mr. Deshmukh had a long stint of over 12.5 years with ICICI Venture, since its inception in 1989 to being its Chief of Private Equity Investments heading its funding and investment management activities of various Funds, till the early part of this decade.

Mr. Deshmukh has strong association with the Life Sciences Industry in the country, having served as the Director General of Association of Biotechnology Led Enterprises (ABLE), the industry association of biotech companies in India and having worked with CIPLA, India's leading pharmaceutical company in various technical and management positions. Mr. Deshmukh holds an MBA degree from University of Mumbai. Earlier he earned his Master's Degree in Pharmaceutical Technology from UDCT, Mumbai where his research work led to a patent filing on machine design for manufacture of NDDS. He also completed the Post-Graduation Programme in Pharmaceutical Technology at the University of Ghent, Belgium.

- vi. **Dr. Sunny Sharma** is a Senior Managing Director on the Asia team of OrbiMed Advisors. Dr. Sharma has more than a dozen years of life sciences experience spanning venture capital, investment banking, and clinical practice. Dr. Sharma was previously with Investor Growth Capital (IGC), the wholly owned global venture capital arm of Investor AB, and before that with Easton Capital, a venture capital fund in New York. While at IGC and Easton Capital, Dr. Sharma led or played a senior role on over a dozen life sciences investments. Earlier in his career, Dr. Sharma was with Lehman Brothers' healthcare investment banking group in London, and before that he practiced medicine in northern India. Dr. Sharma holds an M.B.A. from Indian Institute of Management, Bangalore and a medical degree (M.B.B.S.) from Christian Medical College, Ludhiana where he was awarded the Vipin Khanna Memorial Gold Medal for graduating as the best intern.
- vii. **Mr. Ajeet Singh Karan** has more than 23 years of experience in building businesses across several industries in India. Prior to joining Barings he was the CEO of KAPL (now SC Johnson India) – the world's largest liquid mosquito repellent company with the flagship brand "All Out". He was instrumental in growing the revenues and profits of the company more than six fold during his tenure. He played a key role in the operation of KAPL's Joint Venture with S.C. Johnson and thereafter successful integration of the Baygon business into KAPL.

Before joining KAPL, Mr. Ajeet was part of scripting the success of several multinationals including Hindustan Lever (part of Unilever group), Pepsico India and Coca-Cola, India. He has played a variety of roles from being involved in running profit centres for these companies to setting up manufacturing operations for these companies in India resulting in substantial increase in market share for these businesses in the region.

Mr. Ajeet is an MBA from the Indian Institute of Management, Ahmedabad with specialization in marketing.

- viii. **Mr. Suketu V Shah** is presently a Joint Managing Director of Mukund Ltd. Mr. Shah did his graduation from Mumbai and his MBA from Harvard Business School in 1980. He has worked with Bajaj Auto, Pune and with International Finance Corporation, Washington D.C. and American Express Bank in New York before returning to India to join Mukund Ltd. Mr Shah is a past Chairman of the Young Presidents Organization, Bombay Chapter and was on the executive committee of the Harvard Business School Association of India. He has been the Chairman of Western Regional Council of Confederation of Indian Industry (CII) the apex industry association in India and is now on the National Council of CII. He is Chairman of the Alloy Steel Producers Association of India. Mr. Shah is also on the Board of UTV Software Communications Ltd., in which the Walt Disney Company has a significant stake.



- ix. Mr. Manu P. Daftary** is currently President and Chief Investment Officer of DG Capital Management, an investment management company based in Boston, USA. He began his investment management career at the University of Southern California in 1985 where he was Assistant Treasurer – Investments. In 1988, he joined Geewax, Terker & Company as a Portfolio Manager and was co-manager of the firm’s institutional accounts. In addition, he also was Manager of equity short selling for the firm’s hedge fund assets and also designed the option overlay program that was utilized in the firm’s institutional accounts. In 1993, he joined Hellman, Jordan Investment Management Company as a Senior Vice-President/Portfolio Manager with lead responsibility for \$500 million in institutional assets and was also involved in the management of \$150 million in hedge fund assets. Mr. Daftary has a BA in economics from the University of Mumbai, India, a BS and MBA from California State University at Long Beach and is a Chartered Financial Analyst.
- x. Ms. Nafeesa Moloobhoy** is the Managing Director of a 110 year old family run company - A.S. Moloobhoy Pvt Ltd. And A.S. Moloobhoy & Sons Pvt. Ltd. She is involved in the sale, supply and service of life saving, firefighting and electronics equipment and also forayed into the area of training in the marine field. Ms. Moloobhoy also represents her company on many Marine forums both in India and abroad. She is a member of CIRM (a prestigious International body that makes recommendations to IMO on new policy matters.) Currently she also holds Directorship in total eight Companies.
- xi. Mr. Shahzaad Dalal** a Management Graduate from the USA was the former Chairman & Chief Executive Officer of IL&FS Investment Advisors LLC which is a fully owned subsidiary of IL&FS Investment Managers Ltd (IIML), one of India’s leading Private Equity Fund Managers with US\$ 3.2 billion under management. The private equity funds managed by IIML has a wide canvas across sectors in infrastructure such as telecom, transport, power and oil and gas as well as emerging areas in real estate, technology, retail, life sciences and consumer services. He leads a highly competent team of 40 professionals involved in managing over 95 investments. Mr. Dalal is also on the Boards of various Companies to guide their growth plans and other strategic developments. Overall, Mr. Dalal assumes greater responsibility towards the crafting of exits through a range of diverse methods, including IPO’s and strategic sales. Mr. Dalal was also responsible for developing the Infrastructure Business of IL&FS Group in key international markets in sectors such as Roads, Power, Renewable Energy, Ports, Logistics, Education and Waste Management. Prior to joining IIML, Mr. Dalal served as the Chief Executive Officer of the Asset Management Business of IL&FS. Within the IL&FS Group he has undertaken various responsibilities including overall planning and raising of resources for IL&FS, its group companies and other IL&FS sponsored infrastructure projects. Mr Dalal has also headed the initiative for large value structured finance/transactions in leasing, project finance and privatizations.
- xii. Mr. Suresh Lal Goklaney’s** career spans five decades, starting in the late 60’s with brief stints at leading advertising agencies, before moving to Proctor & Gamble, Johnson & Johnson, followed by a 3-decades tenure with Eureka Forbes Limited (EFL). Mr. Goklaney grew EFL from a single-product, single-channel, INR 200 million Company in 1987, to a multi-product, multi-channel, multi-national, INR 30,400 million Company in 2017, encompassing water purification, vacuum cleaning, air purification and home security solutions, with a customer base of 20 million, a reach of over 1,500 cities and towns in India and a global footprint across 53 countries. A Business Superbrand, the Company is a case study at Harvard Business School and has been recognized as one of Asia’s & India’s best Employers and Knowledge Management organizations.

Mr. Goklaney has significant strengths in Brand Building (Band-Aid India at J&J); and the Eureka Forbes, Aquaguard & Euroclean Superbrands while at EFL; and Channel Building, having grown the Direct Sales channel, and introduced the Service Franchisee, Franchise Direct Operations, and Franchise Business Partner channels during his tenure at EFL. Mr. Goklaney is actively involved in Community and Social Outreach, particularly in the space of providing safe, affordable drinking water to the urban slums and rural India. While at EFL he also set up ‘EuroAble’ - India’s first call centre totally staffed by the differently-abled. Mr. Goklaney is the recipient of several prestigious recognitions including the ‘Rotary Responsible Business Award 2016’ conferred at the International Rotary Day 2016 at the United Nations, New York, and the UNESCO-Water Digest ‘Water Icon 2007 Award’. Mr. Goklaney is the President & Board Member of the Jai Hind College, Trustee at the Breach Candy Hospital and an active member of the Rotary Club of Bombay.



Composition of the Board as on March 31, 2017:-

Category of Directors	No. of Directors	% to total No. of Directors
Executive Directors	3	37.50
Independent Directors	4	50.00
Nominee Directors (Non-Executive)	1	12.50
Total	8	100.00

Particulars of Directors, their attendance at the Annual General Meeting and Board Meetings held during the financial year 2016-17 and also their other directorships in other Public Companies (excluding Foreign Companies and Section 8 Companies of Companies Act, 2013) and Membership/Chairmanship of Audit Committee and Stakeholder Relationship Committee of other Public Companies as on March 31, 2017 are as under:

Name of Director	Attendance at		No. of Directorship of other Companies	
	Board Meetings (Total Eight Meetings)	43 rd AGM held on August 2, 2016	Public	Private
Mr. Bharat Daftary Chairman and Managing Director	8	Yes	-	7
Dr. Gautam Daftary Vice-Chairman and Managing Director	8	Yes	-	8
Mr. Siddharth Daftary Whole-time Director	6	No	-	4
Mr. Girish Bakre * Executive Director	1	No	1	3
Mr. Milind Vaidya ** Executive Director	3	Yes	-	3
Mr. Nitin Deshmukh*** Director (Nominee)	1	Yes	1	3
Dr. Sunny Sharma Director (Nominee)	7	Yes	1	12
Mr. Ajeet Singh Karan Independent Director	6	No	1	3
Mr. Suketu Shah Independent Director	8	No	3	10
Mr. Manu Daftary Independent Director	2	No	-	-
Ms. Nafeesa Moloobhoy Independent Director	5	Yes	-	8

* Resigned w.e.f. August 31, 2016.

** Resigned w.e.f. October 20, 2016.

***Resigned w.e.f. September 27, 2016.

Board Meetings & Procedures: -

During the financial year under review, eight (8) meetings of the Board were held. The intervening period between the Board Meetings were well within the maximum time gap of 120 days. The details of the meetings held during the year are as under:



NAME OF DIRECTOR	DATE OF BOARD MEETINGS – FY 2016-2017							
	Apr 28, 2016	Aug 2, 2016	Sept. 28, 2016	Oct 26, 2016	Jan 30, 2017	Mar 6, 2017	Mar 14, 2017	Mar 20, 2017
Mr. Bharat Daftary	Present	Present	Present	Present	Present	Present	Present	Present
Dr. Gautam Daftary	Present	Present	Present	Present	Present	Present	Present	Present
Mr. Siddharth Daftary	Present	Absent	Absent	Present	Present	Present	Present	Present
Mr. Girish Bakre*	Present	Absent	NA	NA	NA	NA	NA	NA
Mr. Milind Vaidya**	Present	Present	Present	NA	NA	NA	NA	NA
Mr. Nitin Deshmukh***	Absent	Present	NA	NA	NA	NA	NA	NA
Dr. Sunny Sharma	Present	Present	Present	Present	Present	Present	Present	Absent
Mr. Suketu Shah	Present	Present	Present	Present	Present	Present	Present	Present
Mr. Ajeet Singh Karan	Present	Present	Absent	Absent	Present	Present	Present	Present
Mr. Manu Daftary	Present	Absent	Absent	Absent	Present	Absent	Absent	Absent
Ms. Nafeesa Moloobhoy	Present	Absent	Absent	Absent	Present	Present	Present	Present

* Resigned w.e.f. August 31, 2016.

** Resigned w.e.f. October 20, 2016.

***Resigned w.e.f. September 27, 2016.

Board Meetings of the Company are governed by a structured agenda. The meetings are generally held at the Registered Office of the Company at Mumbai. The Company Secretary in consultation with the Chairman, Executive Directors & Chief Financial Officer finalizes the agenda of the Board Meetings. All major agenda items, backed up by comprehensive background information, are sent well in advance of the date of the Board Meetings to enable the Board to take informed decision. Any Board Member may, in consultation with the Chairman, bring up any matter for consideration by the Board. Senior Management personnel are invited from time to time to the Board Meetings to make requisite presentations on relevant issues or provide necessary insights into the operations/working of the Company and corporate strategies.

The Board periodically reviews Compliance Reports in respect of various laws and regulations applicable to the Company.

Remuneration:

The remuneration paid to the Chairman and Managing Director, the Vice Chairman and Managing Director during the year, was approved by the Nomination and Remuneration Committee and shareholders of the Company. The other non-executive Directors are paid sitting fees of INR 11,000 & INR 25,000/- # per board meeting and sitting fees of INR 11,000 for all other committee meetings.



BHARAT SERUMS AND VACCINES LIMITED

The following table gives the detail of remuneration and sitting fees paid to each Director during the Financial year 2016 - 2017: -

Directors	Salary (INR in Lakhs)	Provident Fund Contributions (INR in Lakhs)	Sitting# Fees (INR)
Mr. Bharat Daftary	167.99	0.00	N.A.
Dr. Gautam Daftary	149.99	18.00	N.A.
Mr. Siddharth Daftary	19.49	2.34	N.A.
Mr. Girish Bakre*	46.36	0.00	N.A.
Mr. Milind Vaidya**	59.88	0.00	N.A.
Mr. Nitin Deshmukh	Nil	Nil	44,000
Dr. Sunny Sharma	Nil	Nil	1,88,000
Mr. Ajeet Singh Karan	Nil	Nil	2,30,000
Mr. Suketu Shah	Nil	Nil	2,38,000
Mr. Manu Daftary	Nil	Nil	61,000
Ms. Nafeesa Moloobhoy	Nil	Nil	1,11,000

* Resigned w.e.f. August 31, 2016.

** Resigned w.e.f. October 20, 2016.

Sitting Fees for eligible board members were increased from INR 11,000/- to INR 25,000/- w.e.f. January 30, 2017.

In addition to above, the Directors are getting perquisites as per the Company's policy which inter-alia includes house rent allowance, leave travel concession, medical reimbursement, club fees, car, telephone facilities, leave encashment etc.

The Directors are also entitled for Company's contribution to provident fund, superannuation, gratuity at the end of the tenure as per Company's policy.

Presently the Company doesn't have scheme for grant of stock option either for Directors or Employees.

BOARD COMMITTEES:

The Board of the Company has constituted the various Committees to focus on specific areas and to make informed decisions within their authority. Each Committee is directed by its Charter which outlines their scope, roles and responsibilities and their powers. All the decisions and recommendations of the Committee are placed before the Board for their approval.

The various Board level Committees are as under:-

- I. Audit Committee;
- II. Nomination and Remuneration Committee;
- III. Corporate Social Responsibility Committee.

I) **AUDIT COMMITTEE:**

a) **Constitution and Responsibility:**

The terms of reference of the Audit Committee is as per section 177 of Companies Act, 2013 and includes such functions as may be assigned to it by Board from time to time. The Audit Committee has been entrusted with all the required authority and powers to play an effective role as envisaged under Companies Act. The primary responsibilities of the Audit Committee are to:



- Supervise the financial reporting process.
- Review financial results before placing them before the Board.
- Review the adequacy of internal control systems in the Company, including the scope and performance of the internal audit function.
- Hold discussions with Statutory Auditors on nature and scope of audit.
- Ensure compliance with Accounting Standards
- Recommend the appointment and removal of Internal and External Auditors and determine their fees.
- Review related party transactions.
- Ensure that adequate safeguards have been taken for legal compliance by the Company.
- Review the Company's financial and risk management policies.

b) Composition:

Pursuant to the provisions of Section 177 of the Companies Act, 2013, your Company has constituted the Audit Committee of the Board of Directors.

The following Directors are the Members of the Audit Committee: -

1. Mr. Nitin Deshmukh –Non-Executive Director
2. Mr. Sunny Sharma - Non Executive Director
3. Mr. Ajeet Singh Karan – Independent Director
4. Mr. Suketu Shah - Independent Director
5. Mr. Manu Daftary - Independent Director

c) Meetings:

The Audit Committee met five times during the year and the following table gives the details of members and their attendance in Audit Committee meetings held during the year ended March 31, 2017:

Sr. No.	Date of Meeting	Committee Strength	No. of Directors present	No. of Independent Directors present
1	April 28, 2016	5	3	2
2	July 19, 2016	5	2	0
3	Aug. 2, 2016	5	4	2
4	Oct. 26, 2016	4	2	1
5	Jan. 30, 2017	4	4	3

Sr. No.	Members	Audit Committee Meetings during 2016-17	
		Held	Attended
1	Mr. Nitin Deshmukh*	5	2
2	Dr. Sunny Sharma	5	5
3	Mr. Ajeet Singh Karan	5	3
4	Mr. Suketu Shah	5	4
5	Mr. Manu Daftary	5	1

* Resigned w.e.f. September 27, 2016.



All the members on the Audit Committee have the requisite qualification for appointment on the Committee and possess sound knowledge of finance, accounting practices and internal controls.

Audit Committee Meetings are generally attended by the Managing Directors, Chief Financial Officer. The representative of the Statutory Auditors of the Company remain presents during the finalisation of the Annual Accounts. Internal Auditors have attended Audit Committee Meetings wherein the Internal Audit Reports were considered by the Committee. The Company Secretary acts as the secretary to the Audit Committee.

II) NOMINATION AND REMUNERATION COMMITTEE:

a) Constitution and Responsibility :

Pursuant to the provision of section 178(1) of the Companies Act, 2013 the Company has constituted the Nomination and Remuneration Committee of the Directors of the Company. The said Committee has been entrusted with all the required authority and powers to play an effective role as envisaged under Section 178 of the Companies Act, 2013. The primary responsibilities of the Nomination and Remuneration Committee are:

- To identify and determine the persons to be appointed as Directors and Members of Senior Management of the Company.
- To evaluate of performance of Directors of the Company.
- To formulate the criteria for determining qualification, positive attributes and independence of Director.
- To recommend to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

b) Composition:

The following Directors are the Members of the Committee: -

1. Dr. Gautam Daftary, Chairman
2. Mr. Nitin Deshmukh – Member (Non-Executive Director)
3. Mr. Ajeet Singh Karan – Independent Director
4. Mr. Suketu Shah - Independent Director

c) Meetings:

Sr. No.	Date of Meeting	Committee Strength	No. of Directors present
1	August 2, 2016	4	4
2	January 30, 2017	4	3

III) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

a) Constitution and Responsibility

Pursuant to the provision of section 135 of the Companies Act, 2013 and the rules made there under, the Company has set up the Corporate Social Responsibility Committee of the Directors of the Company. The primary responsibilities of the Committee are:

- formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company;
- recommend the amount of expenditure to be incurred on the activities referred to in above clause; and
- monitor the Corporate Social Responsibility Policy of the Company from time to time.

b) Composition:

The Company's Corporate Social Responsibility Committee comprising of Three Directors viz. Mr. Ajeet Singh Karan, Mr. Bharat Daftary and Dr. Gautam Daftary. Mr. Ajeet Singh Karan has been elected as the Chairman of the Committee Meetings.

**c) Meetings:**

Sr. No.	Date of Meeting	Committee Strength	No. of Directors present
1	January 30, 2017	4	3

GENERAL MEETINGS:

The 44th Annual General Meeting of the Company for the financial year 2016-17 will be held on September 29, 2017 at 17th Floor, Hoechst House, Nariman point, Mumbai – 400021 at 03:00 p.m.

The following table gives the details of the last three Annual General Meetings of the Company held:

Financial Year	Day, Date and Time of AGM	Special Resolutions	Location
2015-2016	Tuesday, August 2, 2016 at 3:00 PM	a. Issue of Compulsory Convertible Cumulative Preference Shares – Series IV of the Company. b. Issue of Equity Shares of the Company.	17 th Floor, Hoechst House, Nariman Point, Mumbai 400 021.
2014-2015	Tuesday, September 30, 2015 at 11:00 AM	a. Reclassification of Authorised Share Capital. b. Substitution of Article 3 in AOA.	17 th Floor, Hoechst House, Nariman Point, Mumbai 400 021.
2013-2014	Tuesday, September 30, 2014 at 11:00 AM	a. Authorise the Board of Directors of the Company under Section 180 (1) (a) of Companies Act, 2013 for Mortgage/ creating charge on Assets of the Company. b. Authorise the Board of Directors of the Company under Section 180 (1)(c) of Companies Act, 2013 to Borrow funds; c. Authorise the Board of Directors of the Company under section 181, of Companies Act, 2013 to Contribute to Bonafide and Charitable funds etc.	17 th Floor, Hoechst House, Nariman Point, Mumbai 400 021.

All the above resolutions were passed with requisite majority.

None of the resolutions proposed at the ensuing Annual General Meeting needs to be passed by Postal Ballot in terms of Section 110 of the Companies Act, 2013 read with Rule 22 of Companies (Management and Administration) Rules, 2014.



MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS:

All the Related Party Transactions are forming part of the notes to the Balance Sheet. Other than those there was no materially significant related party transaction with its promoters, relatives, directors, management, wholly owned subsidiary etc. which may have a potential conflict with the interest of the Company at large.

SHAREHOLDERS INFORMATION:

Day, Date and Time of AGM

Venue	:	17 th floor, Hoechst House, Nariman Point, Mumbai 400 021.
Financial Year	:	April 1, 2016 to March 31, 2017
Record Date	:	September 29, 2017
Registered office	:	17 th floor, Hoechst House, Nariman Point, Mumbai 400 021
Compliance officer	:	Company Secretary
E-mail Address	:	charudatta.samant@bharatserums.com
Website address	:	www.bharatserums.com

By order of the Board

Place: Mumbai
Date: 11 September 2017

Sd/-
Bharat Daftary
Chairman and Managing Director



BHARAT SERUMS AND VACCINES LIMITED

Independent Auditors' Report

To the Members of
Bharat Serums and Vaccines Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Bharat Serums and Vaccines Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2017, 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.

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 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, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

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 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 31 March 2017, and its profit and its cash flows for the year ended on that date.



BHARAT SERUMS AND VACCINES LIMITED

Independent Auditors' Report (*Continued*)

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 standalone 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 31 March 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'; and
- (g) With respect to the other matters to be included in the Auditors' 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 has disclosed the impact of pending litigations on its financial position in its financial statements – Refer 37 to the standalone financial statements;
 - 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; and
 - iv. The Company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 and these are in accordance with the books of account maintained by the Company. Refer Note 49 to the standalone financial statements.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sd/-
Balajirao Pothana
Partner

Membership No: 122632

Mumbai
11 September 2017



Annexure A to the Independent Auditor's Report – 31 March 2017

(Referred to in 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 all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme the Company has verified certain assets during the year and no material discrepancies were noticed on such verification.
- (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 recorded under 'Freehold land', 'Leasehold land' and 'Building' in note 12 to the financial statements are held in the name of the Company except freehold land with gross block aggregating Rs.11,895,000 and net block aggregating Rs.11,895,000 as at 31 March 2017 is not held in the name of the Company.
- (ii) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed during the physical verification of inventories as compared to book records were not material and have been properly dealt with in the books of account.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 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 not granted any loans, or provided any guarantees or security to the parties covered under Section 185 of the Act during the year. The Company has complied with the provisions of Section 186 of the Act, with respect to the loans, guarantees and investments made. The Company has not given any security during the year.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India under the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3 (v) of the order is not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the books of account of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.

**Annexure A to the Independent Auditor's Report – 31 March 2017 (continued)**

- (b) According to the information and explanations given to us, there are no dues of income tax, sales tax, value added tax, duty of excise and duty of customs which have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

Name of the Statute	Nature of dues	Demand (Rs.)	Amount paid under protest (Rs.)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1995	Service Tax	39,724,301	7,500,000	2006-07 to 2010-11	Director General of Central Excise Intelligence

- (viii) According to the information and explanations given to us and on the basis of our examination of the books of account of the Company, the Company has not defaulted in repayment of dues to its bankers, financial institutions and government. The Company did not have any outstanding debentures during the year.
- (ix) The Company did not raise money by way of initial public offer or further public offer (including debt instruments) or term loans during the year.
- (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 given to us, the managerial remuneration has been paid or provided 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, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company has complied with the requirements of Section 42 of the Act and the amount raised through private placement have been used for the purposes for which the funds were raised.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Sd/-

Balajirao Pothana

Partner

Mumbai

11 September 2017

Membership No: 122632



Annexure B to the Independent Auditors' Report – 31 March 2017

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 Bharat Serums and Vaccines Limited ("the Company"), as of 31 March 2017, in conjunction with our audit of the standalone 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 ('the Guidance Note') 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial control over financial reporting based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financials Reporting (the 'Guidance Note') and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, 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 ICAI. 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 auditors' 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;



Annexure B to the Independent Auditors' Report – 31 March 2017 (Continued)

- (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.

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 2017, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the 'ICAI'.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Sd/-

Balajirao Pothana

Partner

Membership No: 122632

Mumbai

11 September 2017



BHARAT SERUMS AND VACCINES LIMITED

Standalone balance sheet as at 31 March 2017

(Currency : Indian rupees in Lakhs)

	Note	31 March 2017	31 March 2016
Equity and liabilities			
Shareholders' funds:			
Share capital	3	1,036.89	991.75
Reserves and surplus	4	33,477.02	26,500.55
		<u>34,513.91</u>	<u>27,492.30</u>
Non-current liabilities:			
Long-term borrowings	5	2,737.00	4,700.78
Deferred tax liabilities (net)	6	2,457.21	2,494.46
Other long-term liabilities	7	1,829.33	1,487.19
Long-term provisions	8	1,239.49	659.36
		<u>8,263.03</u>	<u>9,341.79</u>
Current liabilities:			
Short-term borrowings	9	11,014.65	11,888.57
Trade payables	10		
Dues to micro and small enterprises		12.48	6.13
Dues to others		3,050.29	2,923.31
Other current liabilities	11	5,029.35	5,965.12
Short-term provisions	8	1,542.69	1,449.70
		<u>20,649.46</u>	<u>22,232.83</u>
		<u>63,426.40</u>	<u>59,066.92</u>
TOTAL			
Assets			
Non-current assets:			
Fixed assets			
Tangible fixed assets (property, plant and equipment)	12	11,437.76	11,244.35
Intangible fixed assets	13	4,739.56	5,583.20
Capital work-in-progress		2,852.05	1,553.45
Intangible fixed assets under development		3,932.67	3,891.72
Non-current investments	14	1,443.96	1,081.26
Long-term loans and advances	15	7,826.78	8,085.08
Other non-current assets	16	110.39	64.28
		<u>32,343.17</u>	<u>31,503.34</u>
Current assets:			
Inventories	17	13,242.07	12,358.42
Trade receivables	18	11,721.94	9,513.58
Cash and bank balances	19	668.54	796.93
Short-term loans and advances	15	3,988.93	3,450.44
Other current assets	16	1,461.75	1,444.21
		<u>31,083.23</u>	<u>27,563.58</u>
		<u>63,426.40</u>	<u>59,066.92</u>
TOTAL			

Significant accounting policies

The notes referred to above form an integral part of the financial statements

2
3-51

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022

For and on behalf of the board of directors of

Bharat Serums and Vaccines Limited

CIN : U24230MH1971PLC015134

**Sd/-
Balajirao Pothana**

Partner

Membership No: 122632

**Sd/-
Bharat V Daftary**

Chairman and Managing Director

DIN : 00011518

**Sd/-
Gautam V Daftary**

Managing Director

DIN : 00009326

**Sd/-
Anil M Damle**
Chief Financial Officer

**Sd/-
Charudatta S Samant**
Company Secretary
Membership No.A22337

Place: Mumbai

Date : 11 September 2017

Place: Mumbai

Date : 11 September 2017



BHARAT SERUMS AND VACCINES LIMITED

Standalone statement of profit and loss for the year ended 31 March 2017

(Currency : Indian rupees in Lakhs)

	Note	31 March 2017	31 March 2016
Income:			
Revenue from operations (gross)	20	62,895.19	56,322.67
Less: Excise duty		854.48	286.35
Revenue from operations (net)		62,040.71	56,036.32
Other income	21	1,450.14	1,028.22
Total income (I)		63,490.85	57,064.54
Expenses:			
Cost of materials consumed	22	18,085.06	13,885.82
Purchases of stock-in-trade	23	5,779.15	7,276.93
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(1,111.55)	(2,010.35)
Employee benefits	25	10,920.52	9,368.32
Other expenses	26	18,875.99	18,285.54
Total expenses (II)		52,549.17	46,806.26
Earnings before interest, tax, depreciation, amortisation and exceptional items (EBITDA) (I)-(II) (Refer Note : 2 (v))			
Depreciation and amortisation	28	2,979.88	2,854.93
Finance costs	29	1,827.08	1,814.58
Profit before exceptional items and tax			
Exceptional items	30	1,228.79	-
Profit before tax		4,905.93	5,588.77
Tax expense:			
Current tax		1,033.87	1,255.15
MAT credit entitlement		(112.30)	(1,255.15)
Short provision for income tax for earlier years		-	88.07
Deferred tax (credit) / charge		(37.25)	1,088.95
Total tax expense		884.32	1,177.02
Profit for the year		4,021.61	4,411.75
Earnings per equity share nominal value of share Rs.5 (31 March 2016: Rs.5) each			
Basic (Rs.)	31	23.08	24.86
Diluted (Rs.)		19.55	21.49
Significant accounting policies	2		
The notes referred to above form an integral part of the financial statements	3-51		

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Sd/-

Balajirao Pothana

Partner

Membership No: 122632

Sd/-

Bharat V Daftary

Chairman and Managing Director

DIN : 00011518

Sd/-

Anil M Damle

Chief Financial Officer

**For and on behalf of the board of directors of
Bharat Serums and Vaccines Limited**

CIN :U24230MH1971PLC015134

Sd/-

Gautam V Daftary

Managing Director

DIN : 00009326

Sd/-

Charudatta S Samant

Company Secretary

Membership No.A22337

Place: Mumbai

Date : 11 September 2017

Place: Mumbai

Date : 11 September 2017



BHARAT SERUMS AND VACCINES LIMITED

Standalone cash flow statement for the year ended 31 March 2017

(Currency : Indian rupees in Lakhs)

	31 March 2017	31 March 2016
Cash flow from operating activities		
Profit before tax	4,905.93	5,588.77
Adjustment to reconcile profit before tax to net cash flows:		
Depreciation and amortisation	2,979.88	2,854.93
Profit on sale of fixed assets	(141.37)	(214.39)
Fixed assets / Capital work in progress written off	16.56	183.60
VAT / CST paid to department	1,228.79	-
Bad debts written off	1,105.08	125.90
Sundry balances written off	200.55	101.61
Provision for doubtful debts	-	68.23
Provision written back	(104.95)	(61.23)
Sundry balances written back	(192.15)	(92.31)
Unrealized foreign exchange (gain) on revaluation (net)	(99.39)	(184.63)
Interest expenses	1,732.12	1,715.75
Interest income	(225.73)	(165.77)
Operating profit before working capital changes	11,405.32	9,920.46
Movements in working capital :		
Increase / (decrease) in trade payables	293.74	(162.63)
Increase in provisions	700.47	562.21
Increase in other liabilities	158.51	815.44
Increase in trade receivables	(2,248.99)	(1,053.38)
Increase in inventories	(883.65)	(3,473.40)
Increase in loans and advances	(2,005.25)	(247.02)
Increase in other current / non current assets	(12.51)	(608.55)
Cash generated from operations	7,407.63	5,753.13
Direct taxes paid (net of refunds)	(906.87)	(1,380.09)
Net cash flow from operating activities (A)	6,500.77	4,373.04
Cash flows from investing activities		
Purchase of fixed assets (property, plant and equipment), including CWIP and capital advances	(4,311.48)	(2,596.34)
Proceeds from sale of fixed assets	146.61	208.07
Purchase of non-current investments	(362.70)	(141.87)
Bank deposits (maturity exceeding 3 months)	313.02	(84.70)
Inter-corporate deposits given	(110.00)	(589.00)
Interest received	105.05	123.28
Net cash flow from (used in) investing activities (B)	(4,219.50)	(3,080.56)



BHARAT SERUMS AND VACCINES LIMITED

Standalone cash flow statement for the year ended 31 March 2017

(Currency : Indian rupees in Lakhs)

	31 March 2017	31 March 2016
Cash flows from financing activities		
Proceeds from long-term borrowings	24.19	-
Repayment of long-term borrowings	(2,402.27)	(2,284.39)
(Repayment of) / Proceeds from short-term borrowings (net)	(707.34)	5,136.81
Interest paid	(1,851.86)	(1,689.63)
Payment made to share holders for buy back of shares	-	(2,006.66)
Proceeds from issue of shares	2,999.99	-
Dividend and dividend distribution tax	(113.24)	(547.48)
Net cash flow (used in) / from financing activities (C)	(2,050.53)	(1,391.35)
Net (decrease) / increase in cash and cash equivalents (A + B + C)	230.74	(98.87)
Cash and cash equivalents at the beginning of the year	149.32	248.19
Cash and cash equivalents at the end of the year	380.06	149.32
Components of cash and cash equivalents		
Cash on hand	11.00	11.62
Balances with bank:		
- in current account	369.06	137.70
Total cash and cash equivalents (Refer Note :19)	380.06	149.32

Note: The Cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard 3 on Cash Flow Statement prescribed in Companies (Accounting Standards) Rules, 2006, which continue to apply under section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014.

The notes referred to above form an integral part of the financial statements

As per our report of even date attached

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022

For and on behalf of the board of directors of

Bharat Serums and Vaccines Limited

CIN :U24230MH1971PLC015134

Sd/-

Balajirao Pothana

Partner

Membership No: 122632

Sd/-

Bharat V Daftary

Chairman and Managing Director

DIN : 00011518

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Gautam V Daftary

Managing Director

DIN : 00009326

Sd/-

Anil M Damle

Chief Financial Officer

Sd/-

Charudatta S Samant

Company Secretary

Membership No.A22337

Place: Mumbai

Date : 11 September 2017

Place: Mumbai

Date : 11 September 2017



1) Company overview

Bharat Serums and Vaccines Limited (the Company) is a public limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is engaged in the business of research, development, manufacturing, marketing and sales of biological and pharmaceutical products in India and overseas market.

2) Summary of significant accounting policies

a) Basis of preparation

The financial statements of the Company have been prepared on accrual basis in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 1956 to the extent applicable. The financial statements have been prepared on accrual basis under the historical cost convention.

The financial statements are presented in Indian rupees in lakhs.

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

b) Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

c) Current–non-current classification

All assets and liabilities are classified into current and non-current.

Assets

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

- a. it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is expected to be realised within 12 months after the reporting date; or
- d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.



Liabilities

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

- a. it is expected to be settled in the company's normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is due to be settled within 12 months after the reporting date; or
- d. The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

Based on the nature of operations and the time between the acquisition of asset for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current – non-current classification of assets and liabilities.

d) *Tangible fixed assets (Property, Plant and Equipment)*

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

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

Tangible fixed assets under construction are disclosed as capital work-in-progress.

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Assets taken on finance lease are initially capitalised at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to periods during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

**e) Depreciation on tangible fixed assets**

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Pursuant to the Act, being effective from 1 April 2014, the Company revised the depreciation rates on fixed assets as per the useful life specified in Part 'C' of Schedule II of the Act. Depreciation on tangible fixed assets of the Company has been provided on the written down method as per the useful life prescribed in Schedule II to the Act.

Leasehold improvements are amortized over the useful life of assets or the lease term, whichever is lower.

Tangible Assets	Useful Life
Leasehold Land	Amortized over the period of Lease
Buildings	30 years
Plant and Machinery/ factory equipment/ Laboratory equipment	15 years to 20 years
Computers and Accessories	3 years
Electrical Installations	10 years
Furniture and Fixtures	10 years
Vehicles	8 years
Office Equipments	5 years
Live stock	15 years

Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives (not being greater than the useful life envisaged in Schedule II to the Act) unless it is reasonably certain that the Company will obtain ownership by the end of the lease term, in which case the depreciation rates applicable for similar assets owned by the Company are applied.

The useful lives are reviewed by the management at each financial year-end and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the revised remaining useful life.

f) Amortisation of Intangible fixed assets

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The Company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. Intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

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



BHARAT SERUMS AND VACCINES LIMITED

Notes to the standalone financial statements for the year ended 31 March 2017

Research and development costs:

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Company can demonstrate all the following:

- a. The technical feasibility of completing the intangible asset so that it will be available for use or sale.
- b. Its intention to complete the asset.
- c. Its ability to use or sell the asset.
- d. How the asset will generate future economic benefits.
- e. The availability of adequate resources to complete the development and to use or sell the asset.
- f. The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on a straight line basis over the lower of expected future benefit from the related project or the estimated useful life of ten years. Amortization is recognized in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

A summary of amortization policies applied to the Company's intangible assets is as below:

Assets	Useful Life
Patents and technical know-how	10 Years
Computer software	05 Years

g) Operating leases

Assets acquired under leases other than finance leases are classified as operating leases. The total lease rentals (including scheduled rental increases) in respect of an asset taken on operating lease are charged to the Statement of Profit and Loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern of the benefit.

Initial direct costs incurred specifically for an operating lease are deferred and charged to the statement of profit and loss over the lease term.

h) Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

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



i) Impairment of assets

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

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

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

j) Government grants and subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Capital grants relating to specific fixed assets are reduced from the gross value of the respective fixed assets.

Where the Company receives non-monetary grants, the asset is accounted for on the basis of its acquisition cost. In case a non-monetary asset is given free of cost, it is recognized at a nominal value.

k) Investments

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



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

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

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

l) Inventories

Inventories which comprise raw materials, work-in-progress, finished goods, stock-in-trade, stores and spares, and loose tools are carried at the lower of cost and net realisable value.

Raw materials, stock-in-trade and stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, stock-in-trade, stores and spares and loose tools is determined on a weighted average cost method.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

m) Revenue recognition

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

Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The Company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

Income from Services

The Company provides manufacturing and diagnostic services to other companies and customers. The income from these services is recognised when the same is performed and accepted by the other party on the basis of invoices.

Interest

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.



n) Foreign currency translation

(i) Foreign currency transactions and balances

Foreign exchange transactions are recorded at the spot rates on the date of the respective transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the statement of profit and loss of the year, except for exchange fluctuations arising on settlement of long term foreign currency monetary assets or liabilities.

Restatement at reporting date

a) Short-term foreign currency monetary assets and liabilities

Short-term foreign currency monetary assets and liabilities denominated in foreign currency are translated at the year end at the closing exchange rate and the resultant exchange differences are recognized in the statement of profit and loss.

A monetary asset or liability denominated in foreign currency is designated as a short term monetary asset or liability if the original term at the time of origination of the asset or liability is less than 12 months.

b) Long-term monetary items

As per the option available under paragraph 46A of AS 11 'The effect of changes in exchange rates' inserted pursuant to notification GSR 914 (E) issued by the Ministry of Corporate Affairs dated 29 December 2011 in so far as they relate to recognition of losses or gains arising on restatement of long term monetary items, the Company has availed the option of adjusting the exchange differences on restatement of long term foreign currency monetary assets or liabilities to the historical cost of the depreciable asset where specifically identifiable and depreciating the same over the remaining useful life of the asset. All long term monetary assets or liabilities denominated in foreign currency are specifically identifiable with depreciable assets and hence no accumulation of exchange differences is made in the foreign currency monetary item translation difference account.

A monetary asset or liability denominated in foreign currency is designed as a long term monetary asset or liability if the original term at the time of origination of the asset or liability is more than 12 months.

Exchange fluctuations to the extent covered under paragraph 4 (e) of AS 16 – 'Borrowing cost' are also classified as exchange differences and disclosed accordingly.

(ii) Forward exchange contracts

a) Forward exchange contracts entered into to hedge foreign currency risk of an existing asset/ liability :

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/ income over the life of the contract. Exchange differences on such contracts, except the contracts which are long-term foreign currency monetary items, are recognized in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the period.



- b) Forward foreign exchange contracts relating to highly probable forecast transaction (not intended for trading or speculation purpose) :

The Company follows the guidance in the announcement of the Institute of Chartered Accountants of India ('ICAI') dated 29 March 2008 whereby for each category of derivatives, the Company records any net mark-to-market losses. Net mark-to-market gains are not recorded for such derivatives.

o) Retirement and other employee benefits

Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

Post-employment benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined benefit plans

The Company's gratuity benefit scheme and post-employment medical benefit scheme are defined benefit plans. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The calculation of the Company's obligation under each of the two plans is performed annually by a qualified actuary using the projected unit credit method.

The Company recognises all actuarial gains and losses arising from defined benefit plans immediately in the Statement of Profit and Loss. All expenses related to defined benefit plans are recognised in employee benefits expense in the Statement of Profit and Loss. When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognised in Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested. The Company recognises gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

Compensated Absences

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilised wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.



p) Income taxes

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

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

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

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

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

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

q) Segment reporting

Identification of segments

The Company is operating only one business segment "pharmaceutical" as its primary segment. The analysis of geographical segments is based on the revenue generating locations. The geographical segment information of the company is categorized under domestic sales and export sales.

Segment accounting policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.



r) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

s) Provisions

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

t) Contingent liabilities

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

u) Cash and cash equivalents

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

v) Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/ (loss) from continuing operations. In its measurement, the Company does not include depreciation and amortization expense, finance costs, exceptional items and tax expense.



BHARAT SERUMS AND VACCINES LIMITED

Notes to the standalone financial statements as at 31 March 2017

(Currency : Indian rupees in Lakhs)

	31 March 2017	31 March 2016
3 Share capital		
Authorised share capital		
19,667,800 (31 March 2016: 19,667,800) Equity shares of Rs.5/- each	983.39	983.39
200 (31 March 2016: 200) Equity shares with differential voting right of Rs.5/- each	0.01	0.01
920,000 (31 March 2016: 920,000) 0.01% Convertible redeemable preference shares of Rs.5/- each ('CRPS')	46.00	46.00
742,000 (31 March 2016: 742,000) 0.01% Convertible cumulative preference shares of Rs.5/- each series - I ('CCPS-I')	37.10	37.10
1,350,000 (31 March 2016: 1,350,000) 0.01% Convertible cumulative preference shares of Rs.5/- each series - II ('CCPS-II')	67.50	67.50
920,000 (31 March 2016: 920,000) 0.01% Convertible cumulative preference shares of Rs.5/- each series - III ('CCPS-III')	46.00	46.00
400,000 (31 March 2016: 400,000) 0.01% Convertible cumulative preference shares of Rs.5/- each series - IV ('CCPS-IV')	20.00	20.00
Total	1,200.00	1,200.00
Issued, subscribed and fully paid-up shares		
Equity share capital		
18,734,913 (31 March 2016: 16,858,957) Equity shares of Rs.5/- each	936.75	842.95
100 (31 March 2016: 100) Equity shares with differential voting right of Rs.5/- each	0.01	0.01
Preference share capital		
Nil (31 March 2016: 919,243) 0.01% Convertible redeemable preference shares of Rs.5/- each ('CRPS')	-	45.96
714,119 (31 March 2016: 714,119) 0.01% Convertible cumulative preference shares of Rs.5/- each series - I (of the above 1.75 Lakhs shares have been issued as bonus shares by utilising securities premium account) ('CCPS-I')	35.71	35.71
10 (31 March 2016: 1,342,444) 0.01% Convertible cumulative preference shares of Rs.5/- each series - II ('CCPS-II')	0.00(*)	67.12
9,19,243 (31 March 2016: Nil) 0.01% Convertible cumulative preference shares of Rs.5/- each series - III ('CCPS-III')	45.96	-
3,69,135 (31 March 2016: Nil) 0.01% Convertible cumulative preference shares of Rs.5/- each series - IV ('CCPS-IV')	18.46	-
Total	1,036.89	991.75

(*) Amount less than Rs.1000



BHARAT SERUMS AND VACCINES LIMITED

Notes to the standalone financial statements as at 31 March 2017

(Currency : Indian rupees in Lakhs)

3. Share capital (Continued)

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

	31 March 2017		31 March 2016		
	No. of Shares	Amount	No. of Shares	Amount	
Equity shares:					
At the beginning of the period	16,859,057	842.95	17,120,743	856.03	
Add: Issue of bonus shares	521,949	26.10			
Add: Conversion of CCPS II to equity shares	1,354,007	67.70			
Less: Shares extinguished on buyback	-	-	261,686	13.08	
At the end of the period	<u>18,735,013</u>	<u>936.75</u>	<u>16,859,057</u>	<u>842.95</u>	
Preference shares: (Refer Note : 3(c))					
CRPS:					
At the beginning of the period	919,243	45.96	919,243	45.96	
Less: Conversion of CRPS to CCPS III	919,243	45.96	-	-	
At the end of the period	<u>-</u>	<u>-</u>	<u>919,243</u>	<u>45.96</u>	
CCPS I:					
At the end and beginning of the period	<u>714,119</u>	<u>35.71</u>	<u>714,119</u>	<u>35.71</u>	
CCPS II:					
At the beginning of the period	1,342,444	67.12	1,342,444	67.12	
Less: Conversion of CCPS II to equity shares	1,342,434	67.12 ^(*)			
At the end of the period	<u>10</u>	<u>0.00</u>	<u>1,342,444</u>	<u>67.12</u>	
(*) Amount less than Rs.1000					
CCPS III:					
At the beginning of the period	-	-	-	-	
Add: Conversion of CRPS to CCPS III	919,243	45.96	-	-	
At the end of the period	<u>919,243</u>	<u>45.96</u>	<u>-</u>	<u>-</u>	
CCPS IV:					
At the beginning of the period	-	-	-	-	
Add: Fresh issue of preference shares	369,135	18.46			
At the end of the period	<u>369,135</u>	<u>18.46</u>	<u>-</u>	<u>-</u>	
Shares bought back (during 5 financial years immediately preceding 31 March 2017)					
	<u>31-Mar-17</u>	<u>31-Mar-16</u>	<u>31-Mar-15</u>	<u>31-Mar-14</u>	<u>31-Mar-13</u>
Equity Shares bought back	<u>-</u>	<u>261,686</u>	<u>-</u>	<u>-</u>	<u>-</u>

The Board of Directors at its meeting held on 2 June 2016, approved the issue of bonus shares to its present equity shareholder (before conversion of CCPS II to Equity shareholder) in the ratio of 10 equity shares for every 323 equity shares held by share holders

The Board of Directors at its meeting held on 2 June 2016, approved the proposal of conversion of 919,243 CRPS shares to 919,243 of CCPS III shares, also 1,342,434 CCPS shares to 1,354,007 Equity shares in the ratio of 117 equity shares for every 116 CCPS shares.

The Board of Directors in their meeting dated 2 Aug 2016 resolved and approved the share purchase and subscription agreement entered between the shareholders and the Company to issue 369,135 Compulsorily Convertible Cumulative Preference Shares ("CCPS") @ Rs.812.71 per share, amounting to Rs.2999.99 Lakhs.

The Board of Directors at its meeting held on 19 September 2015 approved the proposal of buyback of 2,61,686 equity shares of Rs.5 each from shareholders of the Company in accordance with the relevant provisions of Companies Act, 2013 at a price of Rs.624 per equity share, aggregating Rs.1,632.92 Lakhs. Out of which Rs.1,619.83 Lakhs has been utilised in respect of the buy back from Securities premium account. Further, a sum of Rs.13.08 Lakhs has been appropriated from General reserve to Capital redemption reserve and the same has been reduced from the paid up share capital.



BHARAT SERUMS AND VACCINES LIMITED

Notes to the standalone financial statements as at 31 March 2017

(Currency : Indian rupees in Lakhs)

3. Share capital (Continued)

b. Rights and terms attached to equity shares

The Company has two class of equity shares viz. Ordinary Equity Shares and Differential Voting Rights Shares (DVRS), each having par value of Rs.5 per share. The holder of ordinary equity shares is entitled to one vote per share, however, the holder of DVRS is entitled to 14,580 votes per share. The Company declares and pays dividends on shares in Indian rupees. The dividend proposed on ordinary shares by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31 March 2017, the amount of per share dividend recognized (interim and final) as distributions to equity shareholders is Rs. Nil (31 March 2016: Rs.1.38).

The board of directors have proposed a final dividend of Rs.1.38 at their meeting held on 11 September 2017. Pursuant to the Companies (Accounting Standards) Amendment Rules, 2016 applicable with effect from 1 April 2016, this dividend (including dividend distribution tax) will be recorded and paid post the approval of shareholders in the Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Rights and terms of conversion / redemption of Preference Shares

The Company has two class of preference shares viz. Convertible Redeemable Preference Shares (CRPS) and Compulsorily Convertible Cumulative Preference Shares (CCPS) Series I and Series II. The brief terms are as under:

Terms	CRPS	CCPS
1. Face Value	Rs.5 per share	Rs.5 per share
2. Dividend Rights	Preferential Dividend @ 0.01% coupon rate and Participatory dividend equivalent to Equity Dividend. In the event the Company does not pay the preferential dividend for any Financial Year, the same shall be cumulated and paid along with the preferential dividend declared and paid in the succeeding years.	Preferential Dividend @ 0.01% coupon rate and Participatory dividend equivalent to Equity Dividend. In the event the Company does not pay the preferential dividend for any Financial Year, the same shall be cumulated and paid along with the preferential dividend declared and paid in the succeeding years.
3. Tenure	10 years from the date of issue	20 years from the date of issue
4. Conversion Ratio	Each CRPS shall be converted into 1 (one) Equity Share of the Company	Each CCPS shall be converted into 1 (one) Equity Share of the Company
5. Conversion Right	Upon occurrence of a QIPO/IPO or Strategic Sale, holders of CRPS shall be converted into Equity Shares of the Company.	Upon occurrence of a QIPO/IPO or Strategic Sale, holders of CCPS shall be converted into Equity Shares of the Company.
6. Buyback/Redemption Right	Holder has a right to get CRPS redeemed or purchased by the Company as per the terms of Shareholder's Agreement.	Holder has a right to get CCPS purchased by the Company as per the terms of Shareholder's Agreement.
7. Compulsory Conversion	At the expiry of tenure of the CRPS	At the expiry of tenure of the CCPS
8. Liquidation Right	In the event of liquidation of the company before conversion/ redemption of CRPS, the holders of CRPS will have priority over equity shares in the payment of dividend and repayment of capital.	In the event of liquidation of the company before conversion/ redemption of CCPS, the holders of CCPS will have priority over equity shares in the payment of dividend and repayment of capital.
9. Pari Passu Participation Right	The CRPS holder shall have a right to participate in sharing the surplus remaining available post distribution of the face value to the holders of Equity Shares.	The CCPS holder shall have a right to participate in sharing the surplus remaining available post distribution of the face value to the holders of Equity Shares.



BHARAT SERUMS AND VACCINES LIMITED

Notes to the standalone financial statements as at 31 March 2017

(Currency : Indian rupees in Lakhs)

3. Share capital (Continued)

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

Name of the shareholder	As at 31 March 2017		As at 31 March 2016	
	No of shares	% holding in the class	No of shares	% holding in the class
Equity shares of Rs.5 each fully paid				
Gautam V. Daftary	2,965,862	15.83%	2,876,797	17.06%
Bharat V. Daftary	2,965,862	15.83%	2,876,797	17.06%
Bharat V. Daftary Jt. Bhavna Daftary	1,830,322	9.77%	1,775,357	10.53%
Gautam V. Daftary Jt. Aarti Daftary	1,830,322	9.77%	1,775,357	10.53%
Aarti Daftary Jt. Gautam Daftary	1,043,847	5.57%	1,012,500	6.01%
Aksipro Diagnostic Private Limited.	927,864	4.95%	900,000	5.34%
Bhavna Daftary Jt. Bharat Daftary	1,043,847	5.57%	1,012,500	6.01%
Kotak India Growth Fund II (KIGF-II)	-	-	1,201,740	7.13%
Orbimed Asia Mauritius Limited	2,075,017	11.08%	-	-
Orbimed Asia II Mauritius FVCI Investments Limited	1,264,554	6.75%	-	-
DVRS of Rs.5 each fully paid				
Kotak India Growth Fund II (KIGF-II)	-	-	61	61.00%
Kotak India Private Equity Fund (KIPEF)	-	-	39	39.00%
Orbimed Asia II Mauritius FVCI Investments Limited	50	50.00%	-	-
Kotak India Private Equity Fund III	50	50.00%	-	-
CRPS of Rs.5 each fully paid				
Kotak India Growth Fund II (KIGF-II)	-	-	892,305	97.07%
CCPS-I of Rs.5 each fully paid				
Kotak India Private Equity Fund III	714,119	100.00%	714,119	100.00%
CCPS-II of Rs.5 each fully paid				
Orbimed Asia Mauritius Limited	10	100.00%	1,342,444	100.00%
CCPS-III of Rs.5 each fully paid				
Orbimed Asia II Mauritius FVCI Investments Limited	919,243	100.00%	-	-
CCPS-IV of Rs.5 each fully paid				
Orbimed Asia II Mauritius FVCI Investments Limited	68,000	18.42%	-	-
Kotak India Private Equity Fund III	64,373	17.44%	-	-
Kotak Mahindra Old Mutual Life Insurance Limited	149,304	40.45%	-	-
Kotak India Growth Fund III	87,458	23.69%	-	-

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.



BHARAT SERUMS AND VACCINES LIMITED

Notes to the standalone financial statements as at 31 March 2017

(Currency : Indian rupees in Lakhs)

	31 March 2017	31 March 2016
4 Reserves and surplus		
Capital reserve		
At the commencement and at the end of the year	0.31	0.31
Capital redemption reserve		
At the commencement	48.05	34.97
Amount transferred from surplus	-	13.08
At the end of the year	<u>48.05</u>	<u>48.05</u>
Securities premium account		
At the commencement and at the end of the year	4,714.20	6,334.03
Amount used for buy back of shares	-	1,619.83
On issue of additional equity shares	2,981.54	-
At the end of the year	<u>7,695.74</u>	<u>4,714.20</u>
General reserve		
At the commencement of the year	5,271.95	4,840.03
Amount transferred from surplus	-	445.00
Amount transferred to capital redemption reserve	-	13.08
Amount used for issue of bonus shares	26.10	-
Amount used for conversion of CCPS II to equity shares	0.58	-
At the end of the year	<u>5,245.27</u>	<u>5,271.95</u>
Surplus (Profit and loss balance)		
At the commencement of the year	16,466.04	13,201.31
Profit for the year	4,021.61	4,411.75
<i>Appropriations</i>		
Equity dividend amount per share Rs. Nil (31 March 2016 Rs.1.38)	-	231.81
Tax on equity dividend	-	47.19
Preference shares dividend amount per share Rs. Nil (31 March 2016 Rs.1.38)	-	40.94
Tax on preference shares dividend	-	8.34
Tax on buyback of shares	-	373.74
Transfer to general reserves	-	445.00
Total appropriations	-	1,147.02
Net surplus in the statement of profit and loss	<u>20,487.65</u>	<u>16,466.04</u>
Total reserves and surplus	<u>33,477.02</u>	<u>26,500.55</u>



BHARAT SERUMS AND VACCINES LIMITED

Notes to the standalone financial statements as at 31 March 2017

(Currency : Indian rupees in Lakhs)

5 Long-term borrowings

	Non-current portion		Current maturities	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
Secured :				
Term loan				
Indian Rupee loan from banks	1,160.71	2,496.43	1,208.57	1,333.57
Foreign currency loan from banks	226.08	458.78	178.11	183.58
Vehicle loans	-	-	4.24	16.02
Hire purchase loan from suppliers	-	-	-	5.80
Loan from Department of Biotechnology	377.18	471.53	94.31	101.89
Finance lease obligations	563.84	728.45	145.77	411.93
Unsecured :				
Loan from Department of Science and Technology	409.19	545.59	136.40	136.40
	2,737.00	4,700.78	1,767.40	2,189.19
Amount disclosed under the head "Other current liabilities" (Refer Note : 11)	-	-	1,767.40	2,189.19
	2,737.00	4,700.78	-	-

Note:-

- 1 Indian Rupee Term Loans taken from various banks is secured by way of the hypothecation of movable assets and the first pari-passu charge on immovable assets of the Company situated at Ambarnath Plant and office at Nariman Point. Terms of repayment are as under:

Bank name	Rate of interest p.a.	No. of quarterly instalments pending	Instalment Amount	Commencement from
Exim Bank	11.45%	9	127.14	Mar-11
Exim Bank	10.85%	7	175.00	Jan-14

- 2 The foreign currency term loan is taken from Exim Bank during the financial year 2012-13 which carries interest at applicable LIBOR plus margin (550 basis points). It is repayable in 20 equal quarterly installments of USD 69,251 each commencing 28 September 2014. The term loan is secured by first charge on immovable properties (Fixed assets at Ambarnath and Office at Nariman Point), present and future, of the Company.
- 3 Vehicle loan carries interest rate 10.49% p.a. and is repayable in 36 equal installments of Rs.1.53 Lakhs commencing March 2014.
- 4 Hire purchase loan from supplier for computer and peripherals carries interest rate of 9.50% p.a to 14.60% p.a. and for period of 15 months from the date of delivery.
- 5 Loan from Department of Biotechnology is secured by way of the hypothecation of movable assets. The loan carries interest at the rate of 3% p.a. and is repayable in 10 equal yearly installments of Rs.94.30 Lakhs commencing from July 2012.
- 6 Finance lease obligations are secured by leased equipment's and leasehold improvements. The rate of interest implicit in finance lease is 12.07% to 15.94% p.a. for a period of 3 to 5 years
- 7 Loan from Department of Science and Technology carries interest at the rate of 3% p.a. and is repayable in 10 equal yearly instalments of Rs.65.69 Lakhs and Rs.70.70 Lakhs each commencing 1 April 2009 and 1 April 2011 for two projects .



BHARAT SERUMS AND VACCINES LIMITED

Notes to the standalone financial statements as at 31 March 2017

(Currency : Indian rupees in Lakhs)

	31 March 2017	31 March 2016
6 Deferred tax liabilities (Net)		
Deferred tax liability on account of		
Excess of depreciation/ amortisation on fixed assets under income-tax law over depreciation/ amortisation provided in accounts	2,317.66	2,653.54
Expenditure covered by Section 35 (2AB) of Income-tax Act, 1961	<u>1,361.02</u>	<u>1,346.85</u>
Deferred tax liability	<u>3,678.68</u>	<u>4,000.39</u>
Deferred tax assets on account of		
Carry forward business losses and depreciation	-	375.25
Expenditure covered by section 43B of Income-tax Act, 1961	605.19	466.95
Provision for doubtful debts and advances	58.17	310.03
Other provisions	<u>558.11</u>	<u>353.70</u>
Deferred tax assets	<u>1,221.47</u>	<u>1,505.93</u>
Net deferred tax liability (A-B)	<u>2,457.21</u>	<u>2,494.46</u>
7 Other long-term liabilities		
Security deposits	1,765.55	1,385.61
<u>Deferred income</u>		
Profit on sale and lease back transaction	-	37.37
Licencing income	<u>63.78</u>	<u>64.21</u>
	<u>1,829.33</u>	<u>1,487.19</u>

8 Provisions

	Long-term		Short-term	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
Provision for employee benefits				
Provision for gratuity (Refer note 32)	284.72	81.22	74.34	138.03
Provision for compensated absences	<u>722.07</u>	<u>578.14</u>	<u>667.56</u>	<u>551.85</u>
(A)	<u>1,006.79</u>	<u>659.36</u>	<u>741.90</u>	<u>689.88</u>
Other provisions				
Provision for sales return (Refer note below)	232.70	-	695.85	627.53
Provision for current tax (Net of advance tax Rs.1,800.87 Lakhs (31 March 2016: Rs.754.56 Lakhs))	-	-	104.94	18.89
Proposed equity dividend	-	-	-	80.08
Tax on proposed equity dividend	-	-	-	16.30
Proposed preference shares dividend	-	-	-	14.14
Tax on proposed preference shares dividend	-	-	-	2.88
(B)	<u>232.70</u>	<u>-</u>	<u>800.79</u>	<u>759.82</u>
Total (A+B)	<u>1,239.49</u>	<u>659.36</u>	<u>1,542.69</u>	<u>1,449.70</u>

Note : Additional disclosures relating to provision for sales return : (as per Accounting standard 29)

	31 March 2017	31 March 2016
At the commencement of the year	627.53	436.21
Provision made during the year	695.85	627.53
Provision utilised during the year	<u>627.53</u>	<u>436.21</u>
At the end of the year	<u>695.85</u>	<u>627.53</u>



BHARAT SERUMS AND VACCINES LIMITED

Notes to the standalone financial statements as at 31 March 2017

(Currency : Indian rupees in Lakhs)

	31 March 2017	31 March 2016
9 Short-term borrowings		
<i>Loans repayable on demand</i>		
Secured :		
Cash credit from banks	4,960.39	4,130.86
Buyers credit from banks	3,187.84	1,242.42
Packing credit foreign currency	-	856.45
Foreign bill discounting	376.88	394.77
Working capital demand loan	2,489.54	5,264.07
	<u>11,014.65</u>	<u>11,888.57</u>
1 Cash credit, buyers credit, packing credit foreign currency, foreign bill discounting and working capital demand loan from banks are secured by way of hypothecation of raw material, packing material, materials under process, finished goods, book debts, machinery and other movable assets of the Company; first pari-passu charge on the immovable assets of the Company situated at Thane Factory; and second charge on the immovable assets of the Company situated at Ambernath Plant. All these loans are repayable on demand.		
2 The cash credit carries interest of 10.50% to 12.15% p.a.		
3 The buyers credit from banks carries average interest rate of libor + 0.32% p.a. to 3.50% p.a.		
4 Packing credit and foreign bill discounting carries average interest rate of libor + 1.50% p.a. to 3.50% p.a.		
5 Working capital demand loan carries interest rate of 10.75% p.a. to 11.50% p.a.		
10 Trade payables		
Trade payables (Refer Note : 38 for details of dues to micro and small enterprises)	3,062.77	2,929.44
	<u>3,062.77</u>	<u>2,929.44</u>
11 Other current liabilities		
Current maturities of long-term borrowings (Refer Note : 5)	1,621.63	1,777.26
Current maturities of finance lease obligations (Refer Note : 5)	145.77	411.93
Interest accrued but not due on borrowings	194.03	313.77
Salary payable	183.31	166.51
Bonus payable	224.45	215.00
<u>Statutory liabilities</u>		
Sales tax payable	130.64	141.69
Service tax payable	21.57	34.68
TDS payable	172.77	134.96
Others	100.44	75.82
Payable for capital expenses	127.53	208.38
Advance from customers	514.80	341.77
Unpaid incentives	166.52	203.68
Payable for expenses	1,143.66	1,722.09
Forward contract liability	173.45	60.25
<u>Deferred income</u>		
Profit on sale and lease back transaction	19.94	129.96
Licencing income	17.86	17.86
Security deposit	70.98	9.51
	<u>5,029.35</u>	<u>5,965.12</u>



BHARAT SERUMS AND VACCINES LIMITED

Notes to the standalone financial statements as at 31 March 2017

(Currency : Indian rupees in Lakhs)

12 Tangible fixed assets (property, plant and equipment)

Cost	Freehold land (b)		Leasehold land		Building (a)		Plant and machinery		Furniture and fixtures		Office equipment		Vehicles (c) improvements		Leasehold improvements		Live stock		Total	
Balance as at 1 April 2015	132.66	225.38	5,632.22	9,895.40	425.41	680.80	295.53	403.80	109.40	17,800.60										
Additions	-	-	1,944.95	1,075.21	151.35	237.13	46.88	307.74	64.98	3,828.24										
Disposal	-	-	21.17	1.81	-	-	6.48	-	-	89.18										
Balance as at 31 March 2016	132.66	225.38	7,556.00	10,968.80	576.76	917.93	335.93	711.54	114.66	21,539.66										
Additions	-	-	184.48	1,758.28	44.37	48.90	137.45	2.27	48.87	2,224.62										
Disposal	-	-	-	101.75	0.22	38.94	98.10	-	21.18	260.20										
Balance as at 31 March 2017	132.66	225.38	7,740.48	12,625.33	620.91	927.89	375.28	713.81	142.35	23,504.08										
Depreciation																				
Balance as at 1 April 2015	-	24.67	2,139.17	5,165.94	283.45	543.20	171.14	16.58	25.05	8,369.19										
Depreciation for the year	-	2.40	377.10	1,161.84	67.58	131.68	45.98	150.07	17.46	1,954.11										
Accumulated depreciation on disposals	-	-	2.03	0.34	-	-	4.09	-	21.53	27.99										
Balance as at 31 March 2016	-	27.07	2,514.24	6,327.44	351.03	674.88	213.03	166.65	20.98	10,295.31										
Depreciation for the year	-	11.72	382.73	1,159.00	60.94	125.32	61.83	142.97	19.50	1,964.01										
Accumulated depreciation on disposals	-	-	-	65.71	0.17	36.67	83.55	-	6.89	192.99										
Balance as at 31 March 2017	-	38.79	2,896.97	7,420.73	411.80	763.53	191.31	309.62	33.59	12,066.32										
Net block																				
As at 31 March 2016	132.66	198.31	5,041.76	4,641.37	225.73	243.05	122.90	544.89	93.68	11,244.35										
As at 31 March 2017	132.66	186.59	4,843.51	5,204.60	209.11	164.37	183.97	404.19	108.76	11,437.76										

- Building includes Rs.2.50 Lakhs (31 March 2016 Rs.2.50 Lakhs) representing cost of unquoted fully paid shares held in a co-operative housing society
- Freehold land includes Rs.118.95 Lakhs (31 March 2016: Rs.118.95 Lakhs) held in the name of directors, on behalf of the company. The freehold land include land costing Rs.89.26 Lakhs (31 March 2016 Rs.89.26 Lakhs) of which certain portion of land contended as forest land by the forest department, however, the Company has been legally advised that the contention of forest department is not tenable.
- Vehicles includes vehicles in the personal name of directors / employee having Gross Block Rs.31.56 Lakhs and WDV Rs.4.69 Lakhs (31 March 2016 - Gross Block Rs.84.21 Lakhs and WDV Rs.25.91 Lakhs)
- The Company has exercised the option given under paragraph 46A of AS 11, exchange loss on repayment and restatement of long term monetary liabilities. The amount of such exchange (gain) / loss at 31 March 2017 aggregating Rs. (7.43) Lakhs (31 March 2016 : Rs.42.13 Lakhs) has been capitalised to the specifically identifiable asset.
- Assets taken on finance lease :

Particulars	Plant and machinery		Furniture and fixtures		Office equipment		Leasehold improvements	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016
Gross block	913.33	913.33	97.93	97.93	51.27	51.27	694.25	694.25
Depreciation charge for the year	279.78	281.59	18.70	25.32	11.88	21.90	142.97	143.20
Accumulated depreciation	842.46	562.68	44.35	25.65	37.02	25.14	302.75	159.78
Net block value	70.87	350.65	53.58	72.28	14.25	26.13	391.50	534.47



BHARAT SERUMS AND VACCINES LIMITED

Notes to the standalone financial statements as at 31 March 2017

(Currency : Indian rupees in Lakhs)

13 Intangible fixed assets

Gross block	Software	Patents	Technical know-how	Total
At 1 April 2015	470.80	283.24	7,696.95	8,450.99
Additions	103.79	-	413.68	517.47
At 31 March 2016	574.59	283.24	8,110.63	8,968.46
Additions	172.23	-	-	172.23
At 31 March 2017	746.82	283.24	8,110.63	9,140.69
Amortisations				
At 1 April 2015	204.57	207.91	2,071.96	2,484.44
Charge for the year	102.55	15.92	782.35	900.82
At 31 March 2016	307.12	223.83	2,854.31	3,385.26
Charge for the year	192.37	12.44	811.06	1,015.87
At 31 March 2017	499.49	236.27	3,665.37	4,401.13
Net block				
At 31 March 2016	267.47	59.41	5,256.32	5,583.21
At 31 March 2017	247.33	46.97	4,445.26	4,739.56

14 Non-current investments

	31 March 2017	31 March 2016
Trade investments (valued at cost unless stated otherwise)		
Unquoted equity instruments		
Investments in subsidiaries:		
1,000,000 equity shares (31 March 2016: 1,000,000) of USD 1 each in BSV Biosciences Inc., USA (fully paid up)	441.83	441.83
10,250 equity shares (31 March 2016: 5,250) of Euro 100 each in BSV Biosciences GmbH, Germany (fully paid up)	860.26	497.56
10,000,000 equity shares (31 March 2016: 10,000,000) of Pessso 1 each in BSV Biosciences Philippines Inc., Philippines (fully paid up)	141.87	141.87
	<u>1,443.96</u>	<u>1,081.26</u>



BHARAT SERUMS AND VACCINES LIMITED

Notes to the standalone financial statements as at 31 March 2017

(Currency : Indian rupees in Lakhs)

15 Loans and advances

	Non-current		Current	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
To parties other than related parties (Unsecured)				
Capital advances				
Considered good	749.57	1,435.47	-	-
Considered doubtful	20.90	90.15	-	-
Less : Provision for doubtful advances	20.90	90.15	-	-
	<u>749.57</u>	<u>1,435.47</u>	<u>-</u>	<u>-</u>
Security deposit				
Considered good	851.57	814.80	165.35	74.59
Considered doubtful	100.00	100.00	-	-
Less : Provision for doubtful deposits	100.00	100.00	-	-
	<u>851.57</u>	<u>814.80</u>	<u>165.35</u>	<u>74.59</u>
Inter-corporate deposits *	-	-	1,049.00	939.00
Advances recoverable in cash or kind				
Advance to suppliers				
Considered good	-	-	1,268.50	1,421.99
Considered doubtful	-	-	47.17	105.59
Less : Provision for doubtful advances	-	-	47.17	105.59
	<u>-</u>	<u>-</u>	<u>1,268.50</u>	<u>1,421.99</u>
Others	-	-	49.12	230.96
	<u>-</u>	<u>-</u>	<u>49.12</u>	<u>230.96</u>
	<u>-</u>	<u>-</u>	<u>1,317.62</u>	<u>1,652.95</u>
Other loans and advances				
Loans to employees	25.01	16.58	26.26	26.26
Advance to employees for expenses	-	-	175.81	152.37
Advance income tax (Net of provision for income tax Rs.4,399.16 Lakhs (March 2016 Rs.3,365.29 Lakhs))	504.42	507.59	-	-
MAT credit entitlement receivable	4,512.74	4,400.44	-	-
Balance with statutory/ Government authorities	-	-	520.18	319.58
Prepaid expenses	5.49	5.46	251.62	225.17
	<u>5,047.66</u>	<u>4,930.07</u>	<u>973.87</u>	<u>723.38</u>
	<u>(A) 6,648.80</u>	<u>7,180.34</u>	<u>3,505.84</u>	<u>3,389.92</u>
To related parties				
Advances recoverable in cash or kind (Unsecured considered good)				
Advance to suppliers	-	-	483.09	60.52
Loans and advances to related party (refer note 47 and 35)	1,177.98	904.74	-	-
	<u>(B) 1,177.98</u>	<u>904.74</u>	<u>483.09</u>	<u>60.52</u>
Total (A+B)	<u>7,826.78</u>	<u>8,085.08</u>	<u>3,988.93</u>	<u>3,450.44</u>

* Secured by pledge of shares and personal guarantee by all directors in those companies

16 Other assets

	Non-current		Current	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
Unsecured, considered good unless stated otherwise				
Non-current bank balances (Refer Note :19)	110.39	64.28	-	-
	<u>(A) 110.39</u>	<u>64.28</u>	<u>-</u>	<u>-</u>
Others				
Other receivables	-	-	12.79	165.70
Receivables from custom authorities	-	-	15.11	135.73
Interest accrued	-	-	18.00	16.70
Interest accrued on loan	-	-	120.76	52.82
Export entitlements receivable	-	-	981.89	973.00
Unamortised premium on forward contracts	-	-	111.00	5.27
Other advances	-	-	202.20	94.99
	<u>(B) -</u>	<u>-</u>	<u>1,461.75</u>	<u>1,444.21</u>
Total (A+B)	<u>110.39</u>	<u>64.28</u>	<u>1,461.75</u>	<u>1,444.21</u>



BHARAT SERUMS AND VACCINES LIMITED

Notes to the standalone financial statements as at 31 March 2017

(Currency : Indian rupees in Lakhs)

	31 March 2017	31 March 2016
17 Inventories (valued at lower of cost and net realisable value)		
Raw materials (including in transit Rs.314.64 Lakhs (31 March 2016 Rs.557.82 Lakhs))	3,705.83	3,938.44
Work-in-progress	3,847.12	3,007.71
Finished goods	2,085.41	1,604.65
Stock-in-trade	2,254.71	2,463.33
Packing materials (including in transit Rs.54.40 Lakhs (31 March 2016 Rs.22.29 Lakhs))	1,056.53	1,064.93
Stores and spares	292.47	279.36
	<u>13,242.07</u>	<u>12,358.42</u>
18 Trade receivables		
(Unsecured)		
Outstanding for a period exceeding six month from the date they are due for payment :		
Considered good	1,302.93	1,450.92
Considered doubtful	-	600.10
	<u>1,302.93</u>	<u>2,051.02</u>
Provision for doubtful receivables	-	(600.10)
	(A) 1,302.93	1,450.92
Other receivables		
Considered good	(B) 10,419.01	8,062.66
Total (A+B)	<u>11,721.94</u>	<u>9,513.58</u>
19 Cash and bank balances		
Cash and cash equivalents		
Cash on hand	11.00	11.62
Balance with banks:		
In current accounts	369.06	137.70
	(A) 380.06	149.32
Other bank balances:		
Margin money deposit	398.87	711.89
Amount disclosed under other non-current assets (Refer Note :16)	(110.39)	(64.28)
	(B) 288.48	647.61
Total (A+B)	<u>668.54</u>	<u>796.93</u>
Details of bank balances / deposits		
Bank deposits / balances available on demand / deposits with original maturity of 3 months or less included under 'Cash and cash equivalents'	-	-
Bank deposits / balances due to mature within 12 months of the reporting date included under 'Other bank balances'	288.48	647.61
Bank deposits / balances due to mature after 12 months of the reporting date included under 'Other non-current assets'	110.39	64.28
	<u>398.87</u>	<u>711.89</u>



BHARAT SERUMS AND VACCINES LIMITED

Notes to the standalone financial statements for the year ended 31 March 2017

(Currency : Indian rupees in Lakhs)

	31 March 2017	31 March 2016
20 Revenue from operations		
Revenue from operations		
Sale of products		
Finished goods	55,205.17	47,270.78
Traded goods	7,055.95	8,563.14
Sale of services	161.12	116.45
Other operating revenue		
Export entitlements	411.97	300.00
Conversion charges received	-	7.75
Others	60.98	64.55
Revenue from operations (gross)	62,895.19	56,322.67
Less: Excise duty	854.48	286.35
Revenue from operations (net)	62,040.71	56,036.32
Details of products sold		
Finished goods sold		
Injectable	55,205.17	47,270.78
Traded goods sold		
Injectable	5,945.71	7,516.29
Tablets	664.34	544.77
Others	445.90	502.08
	7,055.95	8,563.14
Break up of revenue from services rendered		
Pathology services	161.12	116.45
21 Other income		
Interest income on		
Bank deposits	40.21	53.76
Others	185.52	112.01
Exchange gain on foreign currency fluctuations (net)	197.87	311.67
Profit on sale of fixed assets	141.37	214.39
Provision for doubtful advances written back	104.95	-
Other non - operating income	780.22	336.39
	1,450.14	1,028.22



BHARAT SERUMS AND VACCINES LIMITED

Notes to the standalone financial statements for the year ended 31 March 2017

(Currency : Indian rupees in Lakhs)

	31 March 2017	31 March 2016
22 Cost of materials consumed		
Inventory at the beginning of the year	5,003.37	3,660.12
Add: Purchases	17,844.05	15,229.07
Less: Inventory at the end of the year	4,762.36	5,003.37
	<u>18,085.06</u>	<u>13,885.82</u>
Details of materials consumed		
Raw materials		
Immunoglobulin	4,679.14	4,026.81
Hormones	3,404.32	2,490.16
Others	8,459.90	6,243.04
	<u>16,543.36</u>	<u>12,760.02</u>
Packing materials	1,541.70	1,125.80
	<u>18,085.06</u>	<u>13,885.82</u>
23 Purchases of stock-in-trade	<u>5,779.15</u>	<u>7,276.93</u>
Details of purchases of stock-in-trade		
Injectable	5,391.73	6,631.07
Others	387.42	645.86
	<u>5,779.15</u>	<u>7,276.93</u>

24 Changes in inventory of finished goods, work in progress and stock-in-trade

Inventories at the end of the year	31 March 2017	31 March 2016	(Increase)/decrease
Finished goods	2,085.41	1,604.65	(480.76)
Stock-in-trade	2,254.71	2,463.33	208.62
Work in progress	3,847.12	3,007.71	(839.41)
	<u>8,187.24</u>	<u>7,075.69</u>	<u>(1,111.55)</u>

Inventories at the end of the year	31 March 2016	31 March 2015	(Increase)/decrease
Finished goods	1,604.65	1,352.08	(252.57)
Stock-in-trade	2,463.33	1,227.08	(1,236.25)
Work in progress	3,007.71	2,486.18	(521.53)
	<u>7,075.69</u>	<u>5,065.34</u>	<u>(2,010.35)</u>

	31 March 2017	31 March 2016
Details of inventories		
Finished goods		
Injectable	2,085.41	1,604.65
Stock-in-trade		
Injectable	2,155.91	2,167.11
Tablets	87.85	102.45
Others	10.95	193.77
	<u>2,254.71</u>	<u>2,463.33</u>
Work-in-progress		
Injectable	3,847.12	3,007.71



BHARAT SERUMS AND VACCINES LIMITED

Notes to the standalone financial statements for the year ended 31 March 2017

(Currency : Indian rupees in Lakhs)

	31 March 2017		31 March 2016
25 Employee benefits expense			
Salaries, wages and bonus	9,782.17		8,412.53
Contribution to provident and other funds (Refer Note : 32)	499.63		439.93
Gratuity expense (Refer Note : 32)	239.81		194.35
Staff welfare expenses	398.91		321.51
	<u>10,920.52</u>		<u>9,368.32</u>
26 Other expenses			
Accessories and consumables	853.67		894.05
Animal feeding and maintenance	260.58		239.85
Contract labour expenses	47.13		57.86
Power and fuel	1,094.98		945.57
Freight and forwarding charges	972.49		1,106.11
Rent (Refer Note : 34)	507.36		483.64
Rates and taxes	327.51		274.37
Insurance	188.85		210.56
Repairs and maintenance:			
- Plant and machinery	228.06		262.71
- Buildings	223.48		256.91
- Others	57.38		75.03
Advertising and sales promotion	2,022.95		2,203.93
Commission on sales	2,623.51		2,690.46
Travelling and conveyance	2,660.02		2,524.74
Legal and professional fees	1,281.70		1,024.86
Printing and stationery	176.79		172.32
Payment to auditors (Refer Note : 27)	46.12		48.13
Analytical and inspection charges	803.39		746.02
Provision for doubtful debts	-		68.23
Provision for doubtful advance and deposits	50.00		-
Bad debts	1,105.08		125.90
Less: Provision for doubtful debts reversed	<u>600.10</u>	504.98	<u>61.23</u>
Research and development expenses (Refer Note : 39)	1,794.08		2,072.12
Fixed assets / Capital work in progress written off	16.56		183.60
Sundry balances written off	200.55		101.61
Distribution expenses	667.55		552.08
Bank charges	138.02		131.34
Miscellaneous expenses	1,128.28		894.77
	<u>18,875.99</u>		<u>18,285.54</u>



BHARAT SERUMS AND VACCINES LIMITED

Notes to the standalone financial statements for the year ended 31 March 2017

(Currency : Indian rupees in Lakhs)

	31 March 2017	31 March 2016
27 Payment to auditors		
As auditor:		
Audit fees	35.00	37.00
Tax audit fees	3.00	3.00
In other capacity:		
Certification fees	8.12	8.13
	<u>46.12</u>	<u>48.13</u>
28 Depreciation and amortisation		
Depreciation on tangible assets	1,964.01	1,954.12
Amortisation on intangible assets	1,015.87	900.82
	<u>2,979.88</u>	<u>2,854.94</u>
29 Finance costs		
Interest expenses	1,732.12	1,715.75
Bank charges	94.96	98.83
	<u>1,827.08</u>	<u>1,814.58</u>
30 Exceptional items		
VAT / CST paid to department (Refer note below)	1,228.79	-
	<u>1,228.79</u>	<u>-</u>
<p>Exceptional items represents Central Sales Tax liability for past years and interest thereon in respect of inspection conducted by Local Tax authorities during the year, wherein certain transactions were identified which were to be considered as Inter State sales instead of local sales in respective states.</p>		
31 Earnings per share (EPS)		
Profit after tax (A)	4,021.61	4,411.75
Less: Dividends on convertible preference shares and tax thereon	-	49.28
Net profit for calculation of basic EPS (B)	<u>4,021.61</u>	<u>4,362.47</u>
<p>Weighted average number of equity shares for calculating</p>		
Basic EPS (C)	174.26	175.50
Convertible preference shares	31.46	29.76
Weighted average number of equity shares in calculating diluted EPS (D)	<u>205.72</u>	<u>205.26</u>
Basic earnings per share of face value of Rs.5 each (B)/(C) (Rs.)	23.08	24.86
Diluted earnings per share of face value of Rs.5 each (A)/(D) (Rs.)	19.55	21.49



BHARAT SERUMS AND VACCINES LIMITED

Notes to the standalone financial statements for the year ended 31 March 2017

(Currency : Indian rupees in Lakhs)

32 Disclosure of employee benefits as per Accounting Standard 15

A) Gratuity and other post-employment benefit plans

The Company operates a defined gratuity plan for its employees. Under the gratuity plan, every employee who has completed five years or more of service gets a gratuity on death or resignation or retirement at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plans.

Statement of profit and loss

Net employee benefit expenses recognised in the employee cost

Defined benefit plan	Gratuity	
	31 March 2017 (Rs. in Lakhs)	31 March 2016 (Rs. in Lakhs)
Current service cost	139.98	114.55
Interest cost on benefit obligation	64.10	47.81
Expected return on plan assets	(42.34)	(45.70)
Net actuarial(gain) / loss recognized in the year	78.07	77.69
Net benefit expense	239.81	194.35
Actual return on plan assets	76.36	32.08

Balance sheet

Benefit assets / liabilities

Present value of defined benefit obligation	(1,117.37)	(801.19)
Fair value of plan assets	758.31	581.94
Plan asset / (liability)	(359.06)	(219.24)

Changes in the present value of the defined benefit obligation are as follows:

Opening defined benefit obligation	801.19	620.38
Current service cost	139.98	114.55
Interest cost	64.10	47.81
Benefits paid	-	(45.61)
Actuarial (gains) / losses on obligation	112.10	64.06
Closing defined benefit obligation	1,117.37	801.19

Changes in the fair value of plan assets are as follows:

Opening fair value of plan assets	581.94	525.48
Expected return	42.34	45.70
Contributions by employer	100.00	70.00
Benefits paid	-	(45.61)
Actuarial gains / (losses)	34.03	(13.63)
Closing fair value of plan assets	758.31	581.94

The Company expects to contribute Rs.100 Lakhs to gratuity in the next year (31 March 2016: Rs.70 Lakhs)

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Investments with insurer	Gratuity	
	31 March 2017	31 March 2016
	100%	100%



BHARAT SERUMS AND VACCINES LIMITED

Notes to the standalone financial statements for the year ended 31 March 2017

(Currency : Indian rupees in Lakhs)

32 Disclosure of employee benefits as per Accounting Standard 15 (Continued)

A) Gratuity and other post-employment benefit plans (Continued)

The principal assumptions used in determining gratuity for the Company's plans are shown below:

	Years of service	31 March 2017	31 March 2016
Discount rate		6.67%	8.00%
Expected rate of return on assets		6.70%	8.50%
Salary escalation rate (p.a.)		9.00%	7.50%
Employee turnover (Years of service)	0 to 5 yrs	20.00%	20.00%
	5 to 10 yrs	15.00%	15.00%
	10 to 20 yrs	10.00%	10.00%
	20 to 42 yrs	5.00%	5.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Amounts for the current and previous five periods are as follows:

	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Gratuity					
Defined benefit obligation	1,117.37	801.19	620.38	450.70	390.29
Plan assets	758.31	581.94	525.48	384.83	327.92
Surplus / (deficit)	(359.06)	(219.25)	(94.90)	(65.86)	(62.37)
Experience adjustments on plan liabilities	112.10	64.06	(20.06)	0.30	(49.36)
Experience adjustments on plan assets	34.03	(13.63)	34.97	(7.09)	8.56

The management has relied on the overall actuarial valuation conducted by the actuary.

B) Leave encashment

Amount of Rs.417.43 Lakhs (31 March 2016 Rs.367.87 Lakhs) is recognised as an expense and included in "Employee benefits" in the Statement of profit and loss

	31 March 2017	31 March 2016
Actuarial assumptions		
Discount rate	6.67%	8.00%
Salary escalation rate (p.a.)	9.00%	7.50%

C) Contribution to provident and other fund

Amount of Rs.499.63 Lakhs (31 March 2016 Rs.439.93 Lakhs) is recognised as an expense and included in "Employee benefits" in the Statement of profit and loss

33 Segment reporting:

The Company has one business segment "Pharmaceuticals" as its primary segment. Secondary segment reporting is performed on the basis of location of customers. All the business assets of the Company are situated in India except assets which are directly identifiable.

Year ended 31 March 2017	India	Outside India	Total
Revenue			
Sales to external customers	46,499.10	15,541.61	62,040.71
Carrying amount of segment assets	57,029.71	6,396.69	63,426.40
Capital expenditure incurred during the year	3,722.57	15.09	3,737.66
Year ended 31 March 2016	India	Outside India	Total
Revenue			
Sales to external customers	41,781.71	14,254.61	56,036.32
Carrying amount of segment assets	52,230.24	6,836.67	59,066.92
Capital expenditure incurred during the year	2,469.44	24.98	2,494.42



BHARAT SERUMS AND VACCINES LIMITED

Notes to the standalone financial statements for the year ended 31 March 2017

(Currency : Indian rupees in Lakhs)

34 Leases

The Company has entered into finance and operating lease agreements. As required under the Accounting Standard 19 on 'Leases', the future minimum lease payments on account of each type of lease are as follows:

A. Finance Leases / Hire Purchase (Computer and peripherals)

The assets acquired on finance lease comprises of equipments, leasehold improvements, office equipments, electrical installation and furniture. The minimum lease rentals, the present value of minimum lease payments and finance charges as at year end in respect of assets acquired under finance lease / Hire purchase are as follows:

Rs. in Lakhs

Particulars	Future lease payments		Present value of future minimum lease payments		Finance charge	
	2017	2016	2017	2016	2017	2016
As at 31 March						
Not later than one year	224.98	538.06	145.77	417.73	79.21	120.33
Later than one year and not later than five years	680.16	923.99	563.84	728.45	116.33	195.54
Later than five years	-	-	-	-	-	-
TOTAL	905.14	1,462.05	709.61	1,146.18	195.54	315.87

The salient features of a finance lease / hire purchase agreement are:

- Option to purchase the assets will be at the end of the lease term / hire purchase on payment of a nominal option price.
- In the event of default, the lessee / hirer is responsible for payment of all costs of the owner including the financing cost and other associated costs. Further a right of repossession is available to the lessor / owner.
- Under some of the agreements, refundable interest free deposits have been given.
- The Lessee / Hirer is responsible for maintaining the assets as well as insuring the same.

The Company was in compliance with all its corporate and financial covenants as at 31 March 2017.

B. Operating leases

The Company has taken various residential / commercial premises and other equipments under cancellable and non-cancellable operating leases.

The future minimum lease payment in respect of non-cancellable period as at 31 March 2017 are as follows :

Rs. in Lakhs

Particulars	As at 31 March	
	2017	2016
Not later than one year	1,363.94	534.72
Later than one year and not later than five years	901.03	812.96
TOTAL	2,264.97	1,347.68

The salient features of an operating lease agreement are:

- There are no restrictions such as those concerning dividends, additional debt and further leasing, imposed by the lease agreements entered into by the Company.
- Some of the agreements provide for escalation in rent during the lease term.
- Some of the agreements provide for early termination by either party with notice period upto 2 months.
- Under some of the agreements, refundable interest free deposits have been given.

During the year an amount of Rs.507.36 Lakhs was recognised as an expense in the Statement of Profit and Loss in respect of operating leases (31 March 2016 : Rs.483.64 Lakhs)



BHARAT SERUMS AND VACCINES LIMITED

Notes to the standalone financial statements for the year ended 31 March 2017

(Currency : Indian rupees in Lakhs)

35 Related party disclosures:

Names of related parties and related party relationship

(i) Parties where control exists

Wholly owned subsidiaries	BSV Bioscience GmbH, Germany
	BSV Bioscience Inc, USA
	BSV Bioscience Philippines Inc, Philippines (incorporated on 2 February 2016)

(ii) Others related parties with whom transactions have taken place during the year

(a) Key management personnel	Mr. Bharat V Daftary (Chairman and Managing Director) Dr. Gautam V Daftary (Vice Chairman and Managing Director) Mr. Siddharth B Daftary (Son of Mr. Bharat V Daftary) Mr. Girish Bakre (Executive Director) (upto 31 August 2016) Mr. Milind Vaidya (Executive Director) (upto 20 October 2016) Mr K.V. Bala (from 22 April 2016 to 31 March 2017)
(b) Relative of Key management personnel	Ms. Anjali Bakre (Wife of Mr. Girish Bakre) (upto 31 August 2016) Mr. Akshay G Daftary (Son of Dr. Gautam V Daftary)
(d) Entities over which Key Management Personnel have significant influence	SIRO Clinpharm Private Limited Advy Chemicals Private Limited Aksigen Hospital Care Advy Co. Japan Limited



BHARAT SERUMS AND VACCINES LIMITED

Notes to the standalone financial statements for the year ended 31 March 2017

(Currency : Indian rupees in Lakhs)

35 Related party disclosures: (Continued)

Related party transactions

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

PARTICULARS	Subsidiaries		Others		Key management personnel	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016
1 Purchase of services						
a. BSV Bioscience Inc.	297.71	288.50	-	-	-	-
b. BSV Bioscience GmbH	70.23	60.06	-	-	-	-
c. Advy Chemicals Private Limited	-	-	47.92	61.28	-	-
d. SIRO Clinpharm Private Limited	-	-	53.78	45.19	-	-
2 Reimbursement of expenses						
a. BSV Bioscience GmbH	-	4.27	-	-	-	-
3 Recovery of expenses						
a. BSV Bioscience GmbH	-	7.10	-	-	-	-
b. BSV Bioscience Philippines Inc.	3.97	-	-	-	-	-
c. Advy Chemical Private Limited	-	-	10.81	4.90	-	-
4 Purchase of licences						
a. SIRO Clinpharm Private Limited	-	-	403.73	897.75	-	-
5 Interest accrued						
a. BSV Bioscience GmbH	74.32	52.82	-	-	-	-
6 Remuneration						
a. Bharat V Daftary	-	-	-	-	167.99	133.92
b. Gautam V Daftary	-	-	-	-	149.99	133.92
c. Siddharth B Daftary	-	-	-	-	19.49	17.40
d. Milind Vaidya	-	-	-	-	59.88	106.69
e. Girish Bakre	-	-	-	-	46.36	95.44
f. K.V. Bala	-	-	-	-	137.62	-
7 Deposits paid						
a. BSV Bioscience Philippines Inc.	-	3.41	-	-	-	-
8 Advance given						
a. SIRO Clinpharm Private Limited	-	-	-	59.84	-	-
9 Advance received back						
a. BSV Bioscience GmbH	-	17.49	-	-	-	-
10 Purchase of Investments						
a. BSV Bioscience Philippines Inc.	-	141.87	-	-	-	-
b. BSV Bioscience GmbH	362.70	-	-	-	-	-
11 Purchase of goods						
a. BSV Bioscience GmbH	4,601.47	4,717.51	-	-	-	-
b. Advy Chemicals Private Limited	-	-	181.75	44.23	-	-
c. Aksigen Hospital Care	-	-	-	1.30	-	-
12 Sale of goods						
a. Advy Chemicals Private Limited	-	-	0.64	-	-	-
b. Aksigen Hospital care	-	-	129.91	-	-	-



BHARAT SERUMS AND VACCINES LIMITED

Notes to the standalone financial statements for the year ended 31 March 2017

(Currency : Indian rupees in Lakhs)

35 Related party disclosures: (Continued)

Related party transactions (Continued)

PARTICULARS	Subsidiaries		Others		Key management personnel	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016
13 Sale of services						
a. Advy Chemicals Private Limited	-	-	1.05	0.58	-	-
14 Professional fees expenses						
a. Advy Chemicals Private Limited	-	-	21.84	5.85	-	-
15 Discount given						
a. Aksigen Hospital Care	-	-	2.60	-	-	-
16 Loan given						
a. BSV Bioscience GmbH	378.65	366.85	-	-	-	-
17 Write off of advances given						
a. Advy Co. Japan Limited	-	-	-	3.67	-	-
18 Write back of trade payables						
a. BSV Bioscience Inc.	-	47.27	-	-	-	-
19 Corporate Guarantee Fee Income						
a. BSV Bioscience GmbH	19.46	20.15	-	-	-	-
20 Trade receivables						
a. Advy Chemicals Private Limited	-	-	0.47	0.06	-	-
21 Other receivables						
a. BSV Bioscience Philippines Inc.	3.78	-	-	-	-	-
22 Trade payables						
a. Advy Chemicals Private Limited	-	-	5.70	7.40	-	-
b. BSV Bioscience GmbH	-	172.40	-	-	-	-
c. Kasiak Research Private Limited	-	-	-	0.52	-	-
23 Advance receivables						
a. BSV Bioscience GmbH	435.18	-	-	-	-	-
b. SIRO Clinpharm Private Limited	-	-	31.65	52.51	-	-
24 Deposit receivables						
a. BSV Bioscience Philippines Inc.	3.34	3.41	-	-	-	-
25 Interest receivable						
a. BSV Bioscience GmbH	120.76	52.82	-	-	-	-
26 Loan receivable						
a. BSV Bioscience GmbH	1,177.97	904.74	-	-	-	-
27 Salary paid						
a. Anjali Girish Bakre	-	-	12.79	30.80	-	-
b. Akshay G Daftary	-	-	12.68	11.40	-	-
28 Corporate guarantee given to bank on behalf of subsidiaries / others						
a. BSV Bioscience GmbH	4,330.01	4,355.77	-	-	-	-

Note :

- The remuneration to key management personnel does not include provision for gratuity and leave benefits, as these are determined on actuarial basis for the Company as a whole.
- Mr. Girish Bakre who resigned as Executive Director on 31 August 2016, subsequently on 26 April 2017 rejoined as Executive Director.



BHARAT SERUMS AND VACCINES LIMITED

Notes to the standalone financial statements for the year ended 31 March 2017

(Currency : Indian rupees in Lakhs)

36 Capital and other commitments

Estimated amount of contracts remaining to be executed on capital account, net of advances as at 31 March 2017 aggregates to Rs.762.26 Lakhs (31 March 2016: Rs.781.85 Lakhs).

37 Contingent liabilities

Claims against the company not acknowledged as debt

- Service tax	397.24	397.24
- Income tax	935.25	-

Guarantees outstanding

- Corporate guarantee given to bank on behalf of a subsidiary	3,890.00	3,890.00
- Stand by letter of credit given on behalf of subsidiary	440.01	465.77

Total

	31 March 2017	31 March 2016
	<u>5,662.50</u>	<u>4,753.01</u>

38 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

(a) (i) the principal amount due remaining unpaid as at the year end	12.48	6.13
(ii) the interest due on the above amount, remaining unpaid as at the year end	0.29	0.19
(b) Interest paid during the year beyond the appointed day	-	-
(c) Amount of interest due and payable for the period of delay in making payment without adding the interest specified under MSMED Act.	2.34	1.58
(d) Amount of interest accrued and remaining unpaid at the end of the year.	2.62	1.77
(e) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest due as above are actually paid to small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act.	-	-

39 Research and development

Research expenses incurred during the year and debited to statement of profit and loss aggregating Rs.2,305.41 Lakhs (31 March 2016: Rs.2,541.60 Lakhs). The details of research and development expenditure are as under:

Particulars	Note	31 March 2017	31 March 2016
A) Revenue expenditure			
a) Salary, wages and other benefits	25	511.33	469.48
b) Research and development expenditure			
Chemicals and accessories		506.90	710.26
Clinical trials		760.21	816.64
Repairs and maintenance		87.01	141.77
Patent expenses Foreign		65.88	62.79
Patent expenses Domestic		15.50	9.64
Rent		145.90	157.10
Electricity		68.51	60.51
Other expenses		144.17	113.41
		<u>1,794.08</u>	<u>2,072.12</u>
Total revenue expenditure (a+b)		<u>2,305.41</u>	<u>2,541.60</u>
B) Capital expenditure			
Plant and Machinery		61.51	152.39
R&D Lab Equipment		2.33	131.52
Furniture and Fixtures		0.44	9.86
		<u>64.28</u>	<u>293.77</u>
Total capital expenditure		<u>64.28</u>	<u>293.77</u>
Total research and development expenditure (A + B)		<u>2,369.69</u>	<u>2,835.37</u>



BHARAT SERUMS AND VACCINES LIMITED

Notes to the standalone financial statements for the year ended 31 March 2017

(Currency : Indian rupees in Lakhs)

	31 March 2017	31 March 2016
40 Value of imports calculated on CIF basis		
Raw materials	10,829.62	9,891.90
Finished goods	3,730.32	2,291.78
Components and spare parts	582.01	652.08
Capital goods	136.35	428.53
	<u>15,278.30</u>	<u>13,264.29</u>
41 Expenditure in foreign currency (accrual basis)		
Professional fees	300.06	98.91
Interest	108.27	97.19
Travelling and conveyance	450.30	562.93
Research and development	910.74	781.47
Expenses on patent	65.89	62.23
Commission on sales	126.33	400.30
Miscellaneous expenses	1,104.18	1,256.36
Rent	60.80	53.08
Salaries	362.79	342.26
	<u>3,489.36</u>	<u>3,654.73</u>
42 Dividend remitted in foreign currency		
Period to which it relates	1 April 2015 to 31 March 2016	1 April 2014 to 31 March 2016
Number of non-resident shareholders	1	1
Number of equity shares held on which dividend was due:	4,07,688	4,07,688
Number of preference shares held on which dividend was due:		
CCPS -I	7,14,119	7,14,119
Amount remitted	(in USD)	(in USD)
	In Lakhs	In Lakhs
Equity shares	0.029	0.140
CCPS -I	0.050	0.246



BHARAT SERUMS AND VACCINES LIMITED

Notes to the standalone financial statements for the year ended 31 March 2017

(Currency : Indian rupees in Lakhs)

43 Derivative instruments and unhedged foreign currency exposure

a) The Company uses foreign currency forward contracts to hedge its risk associated with foreign currency fluctuations relating to certain foreign currency working capital loan.

Forward exchange contracts (being derivative instruments), which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain receivables and payables.

The forward exchange contracts entered into by the Company and outstanding are as follows:

Currency	No. of contracts	Type	US \$ (In Lakhs)	INR equivalent
31 March 2017	8	Buy	59.29	3,844.88
	-	Sell	-	-
31 March 2016	2	Buy	20.63	1,366.92
	-	Sell	-	-

b) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Particulars	31 March 2017		31 March 2016	
	Amount in foreign currency (Lakhs)	Amount in local currency (Lakhs)	Amount in foreign currency (Lakhs)	Amount in local currency (Lakhs)
Trade payables (Net of advances)				
EURO	0.76	52.85	3.01	226.85
USD	15.93	1033.25	13.05	864.80
Advances to suppliers (Net of payables)				
GBP	1.29	104.45	1.21	115.56
EURO	8.20	568.19	2.69	202.89
USD	7.45	483.06	6.03	399.24
CAD	-	-	0.00	0.06
CHF	0.20	12.64	0.15	10.45
SGD	0.03	1.39	0.45	22.11
Trade Receivables				
USD	55.28	3,584.84	53.32	3,735.09
EURO	4.58	317.09	5.20	391.68
Advance from customers				
USD	4.31	279.72	1.96	130.13
EURO	0.49	33.87	0.08	5.65
Borrowings (USD)	21.09	1,367.66	47.33	3,135.99
Borrowings (EURO)	4.39	304.25	-	-
Loan to related party (EURO)	17.00	1,177.97	12.00	904.74

44 Earnings in foreign currency (accrual basis)

	31 March 2017	31 March 2016
Exports at F.O.B. value	14,996.58	13,510.49
Other income	91.68	72.97
	<u>15,088.26</u>	<u>13,583.46</u>



BHARAT SERUMS AND VACCINES LIMITED

Notes to the standalone financial statements for the year ended 31 March 2017

(Currency : Indian rupees in Lakhs)

45 Transfer pricing

The Company's international transactions with related parties are at arm's length as per the independent accountants report for the year ended 31 March 2016. Management believes that the Company's international transactions with related parties post 31 March 2016 continue to be at arm's length and that the transfer pricing legislation will not have any impact on these financial statements, particularly on amount of tax expenses and that of provision of taxation. Management is in the process of obtaining the transfer pricing study / report for the year ended 31 March 2017.

46 Imported and indigenous raw materials, packing material and spare parts consumed

	% of total consumption	31 March 2017 (Rs. in Lakhs)	% of total consumption	31 March 2016 (Rs. in Lakhs)
Raw materials:				
Imported	70	10,771.57	68	8,625.06
Indigenously obtained	30	5,771.79	32	4,134.96
	100	16,543.36	100	12,760.02
Packing materials:				
Imported	23	349.78	23	262.48
Indigenously obtained	77	1,191.92	77	863.32
	100	1,541.70	100	1,125.80
Spare parts:				
Imported	9	93.85	9	80.84
Indigenously obtained	91	924.17	91	813.21
	100	1,018.02	100	894.05

47 Disclosure under section 186 of the Companies Act, 2013

The details of loan under Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

Name of the entity / parties	As at 31-Mar-16	Loan given during the year	Repaid during the year	As at 31-Mar-17
BSV Bioscience GmbH	904.74	378.65	-	1,177.98

Note:

Purpose of utilisation of above loan	Working capital		
Loan repayment terms	Repayable on demand		
Rate of interest	6.5144%	2016-17	
	7.4493%	2015-16	

48 Corporate Social Responsibility (CSR)

As per Section 135 of the Act, a CSR committee has been formed by the Company. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art, culture, healthcare, destitute care and rehabilitation and rural development projects.

- The gross amount required to be spent by the company as at 31 March 2017 was Rs.97.25 Lakhs (31 March 2016: Rs.83.73 Lakhs)
- Particulars of amount spent during the year on:

	In cash	Yet to be paid	Total
1) Construction / Acquisition of assets	-	-	-
2) On purposes other than (i) above	45.43	-	45.43
Total	45.43	-	45.43



BHARAT SERUMS AND VACCINES LIMITED

Notes to the standalone financial statements for the year ended 31 March 2017

(Currency : Indian rupees in Lakhs)

49 Disclosure on specified bank notes (SBNs)

During the year, the Company had specified bank notes (SBNs) and other denomination notes as defined in the MCA notification G.S.R. 308 (E) dated 31 March 2017, on the details of Specified Bank Notes (SBNs) held and transacted during the period 8 November 2016 to 30 December 2016, the denomination wise SBNs and other notes as per the notification is given below:

(Amount in Rs.)

	SBNs*	Other denominations notes	Total
Closing cash in hand as on 8 November 2016	25,19,000	11,91,428	37,10,428
(+) Permitted receipts	-	9,67,000	9,67,000
(-) Permitted payments	-	5,89,236	5,89,236
(-) Amount deposited in banks	25,19,000	429	25,19,429
Closing cash in hand as on 30 December 2016	-	15,68,763	15,68,763

* For the purpose of this clause 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O.3407(E), dated the 8th November 2016.

50 Other matters

Information with regard to other matters, as required by Schedule III of the Act is either nil or not applicable to the Company for the year.

51 Previous years figures for the previous year have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date attached.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022

For and on behalf of the board of directors of

Bharat Serums and Vaccines Limited

CIN : U24230MH1971PLC015134

Sd/-

Balajirao Pothana

Partner

Membership No: 122632

Sd/-

Bharat V Daftary

Chairman and Managing Director

DIN: 00011518

Sd/-

Gautam V Daftary

Managing Director

DIN: 00009326

Sd/-

Anil M Damle

Chief Financial Officer

Sd/-

Charudatta S Samant

Company Secretary

Membership No.A22337

Place: Mumbai

Date : 11 September 2017

Place: Mumbai

Date : 11 September 2017



BSV Bioscience GmbH

DIRECTORS' REPORT

To,
The Members of
BSV Biosciences GmbH

Your Directors have pleasure in presenting their report on the business and operations along with the Audited Statements of Accounts of your Company for the financial year ended March 31, 2017.

FINANCIAL RESULTS

PARTICULARS	March 31, 2017 (Amount in EUR)	March 31, 2016 (Amount in EUR)
Gross Total Income	1,25,74,921	1,17,34,128
Operating Expenses (Excluding Depreciation)	1,15,32,193	1,03,09,282
Interest and Financial Charges	2,40,395	2,00,507
Depreciation	2,46,953	2,27,783
Profit Before Tax	5,55,380	9,96,546
Less/(Add):-Taxation	329	1,824
Profit After Tax	5,55,051	9,94,722

DIVIDEND

In view of inadequacy of profit, Directors express their inability to recommend any dividend for the year.

ACKNOWLEDGEMENT:

Your Directors wish to place on record their appreciation for the continued cooperation and support of the customers, suppliers, bankers and financial institutions. Your Directors also wish to express their sincere gratitude to the medical profession and the trade for their continued patronage and to the members for the confidence reposed in the Company and its management. Your Directors also wish to place on record their deep appreciation for the dedicated services rendered by the employees of the Company.

By order of Board of Directors
For BSV Biosciences GmbH

Sd/-
Director

Date: 26 June 2017
Place: Baesweiler, Germany



Financial Statements as of 31 March 2017

AUDIT REPORT

BSV Bioscience GmbH
Baesweiler



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4	Opinion on the Overall Presentation of the Financial Statements
4.1	Explanatory notes concerning the overall presentation
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5	Auditor's Report (Translation)

Please note that for computational reasons, rounding differences to the exact mathematical figures (monetary units, percentages, etc.) may occur.



1. Audit Engagement

At the shareholders' meeting held on 2 August 2016

of **BSV Bioscience GmbH**, headquartered in **Baesweiler**,
– hereinafter also referred to as 'BSV' or 'Company' –

we were appointed as auditors of the financial statements for the 2016/17 financial year. Accordingly, the management has engaged us to audit the financial statements for the year ended 31 March 2017, together with the accounting records.

This audit report has been prepared in accordance with the principles of Audit Standard 450 promulgated by the German Institute of Public Auditors [IDW].

We confirm that we have conducted our audit in compliance with the applicable independence regulations in accordance with Section 321 (4a) of the German Commercial Code (HGB).

The terms governing this engagement are set out in the General Terms and Conditions of Engagements for Auditors and Auditing Firms (Allgemeine Auftragsbedingungen für Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften] as amended on 1 January 2002, which are attached to this report as Appendix 4. Our liability is governed by Clause 9 of the General Engagement Terms. Our liability towards third parties is defined under Clauses 1 (2) and 9 of the General Engagement Terms.

2. Performance of the Audit

2.1 Scope of the Audit

We have audited the financial statements of BSV Bioscience GmbH, Baesweiler, including the accounting records. The management of the Company is responsible for

- maintenance of the books and records,
- preparing the financial statements in accordance with the regulations of German commercial law and also for
- the explanations and evidence provided to us.

Our responsibility is to express an opinion on these financial statements based on our audit.

An audit of financial statements only covers compliance with other legal regulations to the extent that these other legal regulations can be expected to have an impact on the financial statements.

The Company meets the criteria of a small corporation as defined by Section 267 (1) HGB. It made use of the reporting simplifications under Section 264 (1) sentence 4 HGB and therefore did not prepare a management report.



2.2 Nature and scope of audit procedures

We conducted our audit of the financial statements in accordance with Section 317 of the German Commercial Code (HGB) and the generally accepted standards for the audit of financial statements promulgated by the German Institute of Public Auditors [IDW]. The objective of our risk-oriented audit approach is to ensure that the statements made in the financial statements of BSV Bioscience GmbH provide a reliable basis for decisions taken by users of these financial statements.

We planned and based our audit on an understanding of our client's business and an assessment of company-specific risks as well as accounting-related processes and controls of the Company. We assessed their impact on the financial statements by taking account of the principle of materiality, and as a result established the following audit focus areas:

- Audit of the process of preparing the financial statements
- Valuation and existence of inventories
- Existence and measurement of trade accounts receivable
- Completeness of provisions
- Accuracy of sales cut-off

The extent of the Company's internal control system reflects the small number and low complexity of its business transactions. We obtained sufficient knowledge of the processing of business transactions and the management's handling of business risks.

Our audit procedures mainly consisted of tests of details on a sample basis, analytical review of items in the financial statements and an assessment of the notes. Our tests of details included requesting confirmations of balances from customers (representative sample) and suppliers (specified sample). We also requested confirmations from the Company's lawyers and credit institutions.

We concluded our audit with an overall evaluation of the audit results as well as the financial statements. This overall evaluation was then used for issuing our audit opinion, the auditor's report. Together with the audit report, the auditor's report forms an integral part of our reporting on the audit performed.

We performed our audit in the months of April to June 2017 until 26th June 2017.

All explanations and evidence requested by us were provided. The management confirmed in writing that the accounting records and the financial statements are complete.



3. Findings Concerning Accounting Records and Financial Reporting

3.1 Accounting records and related documents

The Company's accounting records have been properly kept and maintained. The accounting records and related documents are properly authorized, sufficiently explained and filed in an orderly manner. Based on our findings, the accounting records and related documents comply with German statutory requirements.

Based on our audit we found that the measures taken by the Company to ensure the security of processed accounting-related data were appropriate.

3.2 Financial Statements

The financial statements as of 31 March 2017, presented to us for audit, were properly derived from the Company's accounting records and related documents. The opening balance sheet figures were properly carried forward from the prior year financial statements. The statutory regulations concerning recognition, disclosure and valuation were observed.

The balance sheet and the income statement were prepared in accordance with the provisions of German commercial law governing the accounting of limited liability companies including generally accepted accounting principles. The notes to the financial statements include all legally required information.

Size-related reporting simplifications have been correctly applied in accordance with Sections 274a, 276 and 288 HGB.

4. Opinion on the Overall Presentation of the Financial Statements.

4.1 Explanatory notes concerning the overall presentation

The general accounting policies are described in the notes to the financial statements (see Appendix 2.3).

The following grooming transactions had a material effect on the overall presentation of the financial statements:

Adjustments of sales prices to affiliated companies

Within the financial year ended 31 March 2017 the transfer prices for sales to the shareholder Bharat Serums and Vaccines Limited, Mumbai/India, have been increased. The effective date of the adjustment was 1 August 2017. Overall, the sales price adjustment had a positive effect on the Company's sales as well as net result.

4.2 Conclusion on the overall presentation of the financial statements

Based on an overall consideration of the accounting policies and material transaction described above, we are of the opinion that the financial statements provide a true and fair view of the Company's net assets, financial position and results of operations in accordance with German generally accepted accounting principles.



5. Auditor's Report (Transaltion)

For the financial statements we have issued an unqualified auditor's report. The English language text below is a translation of the auditor's report.

Auditor's Report

To BSV Bioscience GmbH, Baesweiler

We have audited the annual financial statements, comprising the balance sheet, the income statement and the notes to the financial statements, together with the bookkeeping system of BSV Bioscience GmbH, Baesweiler, for the financial year from 1 April 2016 to 31 March 2017. The maintenance of the books and records and the preparation of the annual financial statements in accordance with German commercial law are the responsibility of the Company's management. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, based on our audit.

We conducted our audit of the annual financial statements in accordance with Section 317 of the German Commercial Code (HGB) and German generally accepted standards for the audit of financial statements promulgated by the German Institute of Public Auditors (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with German principles of proper accounting are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements are examined primarily on a test basis with the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the annual financial statements. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with German principles of proper accounting.

Düsseldorf, den 26 June 2017

KPMG AG
Wirtschaftsprüfungsgesellschaft

Hemker
Wirtschaftsprüfer

Coletti
Wirtschaftsprüfer





BSV Bioscience GmbH, Baesweiler

Balance Sheet as of 31 March 2017**Assets**

	31/3/2017	31/3/2016
	EUR	EUR
A. Fixed Assets		
I. Intangible Assets	19.180,00	2.828,00
II. Property, plant and equipment	2.856.811,21	1.694.024,51
	2.875.991,21	1.696.852,51
B. Current Assets		
I. Inventories	1.483.333,90	2.044.583,04
II. Receivables and other assets	747.397,41	699.488,00
III. Cash and cash equivalents	508.392,21	659.150,11
	2.739.123,52	3.403.221,15
C. Prepayments	41.831,62	40.644,01
	5.656.946,35	5.140.717,67



Equity and liabilities

	31/3/2017	31/3/2016
	EUR	EUR
A. Equity		
I. Subscribed capital	1.025.000,00	525.000,00
II. Capital reserve	1.700.000,00	1.200.000,00
III. Loss carried forward	-1.466.389,08	-2.461.110,98
IV. Net income for the year	555.050,77	994.721,90
	1.813.661,69	258.610,92
B. Provisions	157.881,57	180.065,76
C. Liabilities	3.685.403,09	4.702.040,99
– thereof due to taxes EUR 34,776.75 (prior year: EUR 59,346.15) –		
– thereof due in more than one year but less than five years EUR 1,381,445.60 (prior year: EUR 2,131,445.60) –		
	5.656.946,35	5.140.717,67



BSV Bioscience GmbH, Baesweiler

**Income Statement for the period
from 1 April 2016 to 31 March 2017**

	2016/17		2015/16	
	EUR	EUR	EUR	EUR
1. Gross profit		3.778.330,58		3.823.640,22
2. Personnel expenses				
a) Wages and salaries	-1.118.278,53		-1.051.167,94	
b) Social security	-208.683,01	-1.326.961,54	-181.154,62	-1.232.322,56
3. Amortization of intangible assets and depreciation of property, plant and equipment		-246.952,58		-227.781,79
4. Other operating expenses		-1.408.656,81		-1.166.488,14
5. Other interests and similar income		0,81		5,69
6. Interests and similar expenses – thereof from affiliated companies EUR 22,500.00 (prior year: EUR 36,432.00) –		-240.394,74		-200.507,56
7. Income taxes		14,46		2,73
8. Profit after tax		555.380,18		996.548,59
9. Other taxes		-329,41		-1.826,69
10. Net income for the year		555.050,77		994.721,90



BSV Biosciences, Inc.

Financial Statements

March 31, 2017 and March 31, 2016

KNAV P.A.

Certified Public Accountants
One Lakeside Commons, Suite 850
990 Hammond Drive NE
Atlanta, GA 30328



America Counts on CPAs



Independent auditor's report

Board of Directors
BSV Biosciences, Inc.

We have audited the accompanying financial statements of BSV Biosciences, Inc. ('the Company') which comprise the balance sheet as at March 31, 2017, and the related statement of income, changes in stockholder's deficit, the cash flows for the year then ended, and the related notes to the financial statements.

Management's responsibility

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of the Company as at March 31, 2017 and the result of its operations, stockholder's deficit and the cash flows for the year then ended, in accordance with the accounting principles generally accepted in the United States of America.

Other matter

The financial statements comprising of the balance sheet as at March 31, 2016, and the related statement of income, stockholder's deficit, and cash flows for the year ended March 31, 2016 and the related notes to the financial statements were audited by other auditors. The date of the report was July 15, 2016 and it expressed an unqualified opinion.

KNAV P.A.

Atlanta, Georgia
July 3, 2017

KNAV P.A.

Certified Public Accountants

One Lakeside Commons Suite 850, 990 Hammond Drive NE Atlanta GA 30328 T 1 678 584 1200 F 1 770 676 6082 E: admin@knavcpa.com
2017-69



BSV Biosciences, Inc.

Financial statements

March 31, 2017 and March 31, 2016

Balance sheets

As at

(All amounts are stated in United States Dollars unless otherwise stated)

	March 31, 2017	March 31, 2016
ASSETS		
Current assets		
Cash & cash equivalents	8,232	12,476
Accounts receivable, from related parties	1,569	-
Total current assets	9,801	12,476
Property, plant and equipment, net	292	1,271
Total assets	10,093	13,747
LIABILITIES AND STOCKHOLDER'S DEFICIT		
Current liabilities		
Accounts payable	35,052	40,612
Other current liabilities	34,873	50,845
Total current liabilities	69,925	91,457
Total liabilities	69,925	91,457
Stockholder's deficit		
Common stock, authorized, 2,000,000 common shares, \$ 1 par value; issued and outstanding, 1,000,000 common shares, \$ 1 par value	1,000,000	1,000,000
Accumulated deficit	(1,059,832)	(1,077,710)
Total stockholder's deficit	(59,832)	(77,710)
Total liabilities and stockholder's deficit	10,093	13,747

(The accompanying notes are an integral part of these financial statements)



BSV Biosciences, Inc.

Financial statements

March 31, 2017 and March 31, 2016

Statements of income

(All amounts are stated in United States Dollars unless otherwise stated)

	For the year ended	
	March 31, 2017	March 31, 2016
Operating revenues	686,866	602,799
Selling, general and administrative expenses	630,165	572,143
Depreciation and amortization	979	979
Research and development expenses	37,044	20,647
Total costs and expenses	668,188	593,769
Income before taxes	18,678	9,030
Current tax expense	800	800
Net income	17,878	8,230

(The accompanying notes are an integral part of these financial statements)



BSV Biosciences, Inc.
 Financial Statements
 March 31, 2017 and March 31, 2016

Statements of stockholder's deficit

For the year ended March 31, 2017 and March 31, 2016
 (All amounts are stated in United States Dollars except number of shares)

Particulars	Common stock				Accumulated deficit	Total stockholder's deficit
	Authorized Shares	Value in US\$	Issued & outstanding Shares	Value in US\$		
Balance as on April 1, 2015	2,000,000	2,000,000	1,000,000	1,000,000	(1,085,940)	(85,940)
Net income					8,230	8,230
Balance as at March 31, 2016	2,000,000	2,000,000	1,000,000	1,000,000	(1,077,710)	(77,710)
Balance as on April 1, 2016	2,000,000	2,000,000	1,000,000	1,000,000	(1,077,710)	(77,710)
Net income					17,878	17,878
Balance as at March 31, 2017	2,000,000	2,000,000	1,000,000	1,000,000	(1,059,832)	(59,832)

(The accompanying notes are an integral part of these financial statements)



BSV Biosciences, Inc.

Financial Statements

March 31, 2017 and March 31, 2016

Statements of cash flows

(All amounts are stated in United States Dollars unless otherwise stated)

For the year ended

March 31, 2017

March 31, 2016

Cash flow from operating activities

Net income 17,878 8,230

Adjustments to reconcile net income to net cash used in operating activities

Depreciation and amortization 979 979

Changes in operating assets and liabilities

Accounts receivables (1,569) 7,923

Other current liabilities (15,972) (14,531)

Accounts payable (5,560) (6,203)

Net cash used in operating activities (4,244) (3,602)

Net decrease in cash and cash equivalents (4,244) (3,602)

Cash and cash equivalents at the beginning of the year 12,476 16,078

Cash and cash equivalents at the end of the year 8,232 12,476

Supplemental cash flow information

Income taxes paid - 800

Interest paid - 786

(The accompanying notes are an integral part of these financial statements)



BSV Biosciences, Inc.

Financial Statements

March 31, 2017 and March 31, 2016

Notes to financial statements

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements is as follows:

1. *Business*

BSV Biosciences, Inc. (“the Company”) is a wholly-owned subsidiary of Bharat Serums & Vaccines Ltd. (“Parent”), an India company. The Company was incorporated on March 23, 2005 and commenced operation in April 2005. The Company provides biomedical research and consulting services to its Parent.

2. *Basis of preparation*

a. The accompanying financial statements are prepared under the historical cost convention on the accrual basis of accounting in accordance with the accounting and reporting requirements of generally accepted accounting principles in the United States (“US GAAP”) to reflect the financial position, results of operation and cash flows of the Company.

b. The financial statements are for the year ended March 31, 2017 and March 31, 2016.

3. *Estimates and assumptions*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The management’s estimates for realization of deferred tax assets, determination of useful lives for property, plant and equipment, allowance for doubtful debts and estimation relating to unsettled transactions and events at the balance sheet date represent certain of these particularly sensitive estimates. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates.

4. *Cash and cash equivalents*

The Company considers all highly liquid investments and deposits with an original maturity of ninety days or less to be cash equivalents.

5. *Computer equipment*

Computer equipment is stated at cost less accumulated depreciation. Acquisitions of computer equipment are recorded at cost.

The estimated useful life of computer equipment is 3 years.

6. *Revenue recognition*

The Company's only source of revenue is from the Parent company or one of the Parent company's other wholly-owned subsidiaries. Under a service agreement that commenced September 1, 2005, the Parent agreed to reimburse the Company each month for its operating expenses plus a mark-up on the costs. In



BSV Biosciences, Inc.

Financial Statements

March 31, 2017 and March 31, 2016

accordance with the agreement, the Company recognizes the reimbursement revenue when invoiced to the Parent each month, as the services are rendered.

7. *Income taxes*

In accordance with the provisions of Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 740 “Income Taxes,” income taxes are accounted for using the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss carry-forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The deferred tax asset is reduced by a valuation allowance if it is more likely than not that some portion or all of the asset will not be realized.

The Company recognizes liabilities for uncertain tax positions based on a twostep process. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount which is more than 50% likely of being realized upon ultimate settlement. The Company recognizes interest and penalties related to uncertain tax positions within the provision for income taxes.

8. *Fair value of financial instruments*

The Company applies fair value measurements to certain assets, liabilities and transactions that are periodically measured at fair value.

Assets and liabilities recorded at fair value in the financial statements are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Hierarchical levels which are directly related to the amount of subjectivity associated with the inputs to the valuation of these assets or liabilities are as follows:

Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access as of the measurement date.

Level 2 – inputs other than quoted prices included within Level 1 that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data.

Level 3 – unobservable inputs for the asset or liability only used when there is little, if any, market activity for the asset or liability at the measurement date.

This hierarchy requires the Company to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value.

The Company’s financial instruments consist of cash and cash equivalents, account receivables, accounts payable and accrued liabilities. The estimated fair value of cash, account receivables, accounts payable and accrued liabilities approximate their carrying amounts due to the short-term nature of these instruments. None of these instruments are held for trading purposes.



BSV Biosciences, Inc.

Financial Statements

March 31, 2017 and March 31, 2016

9. *Concentration of credit risk*

Financial instruments which potentially subject the Company to concentration of credit risk consist primarily of cash and accounts receivables. The Company's cash is on deposit in a checking account with a high quality financial institution. The Company has not experienced any losses and does not believe it is exposed to any significant credit risk. As at March 31, 2017, accounts receivables were due from the parent or one of the parent's wholly-owned subsidiaries and as at March 31, 2016 there were no accounts receivables.

10. *Commitment and contingencies*

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

11. *Stockholder's deficit*

The financial statements of the Company have been prepared on the assumption that it remains a going concern. The management considers that the Parent company will continue to provide financial support and honor the Company's obligations as they arise.

The Company is remunerated by the Parent company for biomedical research and consulting services. Following the review and at the time of approving these financial statements, the management considers that the Company will have sufficient resources available from its Parent company to continue operating for the foreseeable future.

NOTE B – CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following:

	As at	
	March 31, 2017	March 31, 2016
Cash at bank	8,032	12,476
Cash in hand	200	-
Total	8,232	12,476

Cash balances in bank accounts are insured by the Federal Deposit Insurance Corporation up to an aggregate per bank of \$ 250,000 (previous year - \$ 250,000). As at March 31, 2017 & 2016, the Company had no cash at risk.

NOTE C – ACCOUNTS RECEIVABLES, FROM RELATED PARTIES

Accounts receivables, from related parties include the following:

	As at	
	March 31, 2017	March 31, 2016
Receivable from related party	1,569	-
Accounts receivables	1,569	-



BSV Biosciences, Inc.

Financial Statements

March 31, 2017 and March 31, 2016

The allowance for doubtful accounts was \$ Nil at March 31, 2017 & 2016.

NOTE D – PROPERTY, PLANT AND EQUIPMENT, NET

Property, plant and equipment include the following:

	As at	
	March 31, 2017	March 31, 2016
Computers equipment	2,936	2,936
Less: Accumulated depreciation	(2,644)	(1,665)
Property, property and equipment, net	292	1,271

Depreciation for the year ended March 31, 2017 was \$ 979 (March 31, 2016: \$ 979).

NOTE E – OTHER CURRENT LIABILITIES

Other current liabilities include the following:

	As at	
	March 31, 2017	March 31, 2016
Accrued vacation	24,767	28,845
Accrued accounting fees	9,306	22,000
Provision for income tax	800	-
Total	34,873	50,845

NOTE F – INCOME TAXES

For the year ended March 31, 2017, the Company will file federal and state tax returns as per regulations applicable to Chapter C corporations in the United States.

The components of the provision for income taxes are as follows:

	Year ended	
	March 31, 2017	March 31, 2016
<u>Current taxes</u>		
Federal	-	-
State	800	800
Total provision for taxes	800	800

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's net deferred income taxes are as follows:

	As at	
	March 31, 2017	March 31, 2016
Deferred tax assets:		
Computer equipment	124	31
Accrued professional fees	-	4,953



BSV Biosciences, Inc.

Financial Statements

March 31, 2017 and March 31, 2016

Accrued expenses	5,576	6,494
Net operating losses	206,946	205,292
Total deferred tax asset	212,646	216,770
Total deferred taxes	212,646	216,770
Less: valuation allowance	(212,646)	(216,770)
Net deferred taxes after tax allocation	-	-

In assessing the realization of deferred tax assets, the likelihood of whether it is more likely than not that some portion or all the deferred tax assets will not be realized must be considered. The ultimate realization of deferred tax assets is dependent on the generation of future taxable income during the periods in which temporary difference become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment. The Company has provided a valuation allowance of \$ 212,646 and \$ 216,770 as at March 31, 2017 and March 31, 2016 against the net deferred tax assets. The change in valuation allowance is \$ 4,124 during the year ended March 31, 2017.

The Company has net operating loss carry forwards of \$ 949,446 as of March 31, 2017 available to reduce future federal income taxes. If not used, the carry forwards will begin to expire in 2025. The Company has carried forward losses totaling \$ 858,783 which are available to reduce future state income taxes. If not used, the carry forwards will begin to expire in 2018.

Accounting for uncertain tax position

The Company recognizes the financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination. The adoption of this standard had no material effect on the Company's financial position, results of operation or cash flows.

The tax years 2013-2015 remain subject to examination by the taxing authorities.

NOTE G – RELATED PARTY TRANSACTIONS

- (1) The Company has entered into transactions with the following related parties –
 - a. Bharat Serums and Vaccines Limited (Parent company)
 - b. Advy Chemicals Limited
- (2) Summary of the transactions with related parties are as follows:

Particulars	For the year ended	
	March 31, 2017	March 31, 2016
Transactions during the year		
<i>Bharat Serums and Vaccines Limited</i>		
Operating revenues earned	440,000	602,799
<i>Advy Chemicals Limited</i>		
Operating revenues earned	246,866	-



BSV Biosciences, Inc.

Financial Statements

March 31, 2017 and March 31, 2016

Balance at year end	As at	
	March 31, 2017	March 31, 2016
<i>Advy Chemicals Limited</i>		
Accounts receivables	1,569	-

NOTE H - FINANCIAL INSTRUMENTS AND CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash equivalents and trade receivables. The cash resources of the Company are invested with banks after an evaluation of the credit risk. By their nature, all such cash equivalents and trade receivables involve risk including the credit risk of non-performance by counter parties. In management's opinion, as of March 31, 2017 and 2016, there was no significant risk of loss in the event of non-performance of the counter parties to these cash equivalents and trade receivables.

The Company has one customer (related party) comprising the total accounts receivables as at March 31, 2017.

NOTE I – STOCKHOLDER'S EQUITY

Common stock issued

Common stock issued as at March 31, 2017 was 1,000,000 shares of \$ 1 par each (March 31, 2016: 1,000,000 shares of \$ 1 par each).

Voting

Each holder of common stock is entitled to one vote in respect of each share held by him in the records of the Company for all matters submitted to a vote.

Liquidation

In the event of liquidation of the Company, the holders of common stock shall be entitled to receive all of the remaining assets of the Company, after distribution of all preferential amounts, if any. Such amounts will be in proportion to the number of equity shares held by the shareholders.

NOTE J – SUBSEQUENT EVENTS

The Company evaluated all events and transactions that occurred after March 31, 2017 through July 03, 2017, the date the financial statements are issued. Based on the evaluation, the Company is not aware of any events or transactions that would require recognition or disclosure in the financial statements.



BHARAT SERUMS AND VACCINES LIMITED

Independent Auditors' Report

**To the Members of
Bharat Serums and Vaccines Limited**

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Bharat Serums and Vaccines Limited (hereinafter referred to as “the Holding Company”) and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”), comprising of the Consolidated Balance Sheet as at 31 March 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the consolidated financial statements”).

Management’s Responsibility for the Consolidated Financial Statements

The Holding Company’s Board of Directors is responsible for 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 (particularly Accounting Standard 21, Consolidated Financial Statements). 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.

Auditor’s Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company’s preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company’s Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.



BHARAT SERUMS AND VACCINES LIMITED

Independent Auditors' Report (Continued)

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements of the subsidiaries, 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 Group as at 31 March 2017, their consolidated profits and their consolidated cash flows for the year ended on that date.

Other Matters

- (a) We did not audit the financial statements of two subsidiaries whose financial statement reflect total assets of Rs.14,006.72 lacs as at 31 March 2017, total revenues of Rs.9,554.63 lacs and net cash outflows amounting to Rs.147.62 lacs for the year then ended, as considered in the consolidated financial statements. These financial statements 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, in so far as it relates to the aforementioned subsidiaries is based solely on the aforesaid audit reports of those other auditors.
- (b) Certain of these subsidiaries are located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.
- (c) We did not audit the financial statements of a subsidiary whose financial statements reflect total assets of Rs.148.99 lacs as at 31 March 2017, total revenues of Rs. Nil and net cash inflows of Rs. Nil for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and 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 this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary is based solely on such unaudited financial statements. In our opinion and according to information and explanation given to us by the Management, these financial statements are not material to the Group.
- (d) Our opinion above 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 certified by the Management.

Report on other legal and regulatory requirements

As the required by sub-section 3 of Section 143 of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of subsidiaries, as noted in the 'Other Matter' paragraph, 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 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.



BHARAT SERUMS AND VACCINES LIMITED

Independent Auditors' Report (*Continued*)

- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement 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 representation received from the directors of the Holding Company as on 31 March 2017 taken on record by the Board of Directors of the Holding Company, none of the Directors of the Group companies is disqualified as on 31 March 2017 from being appointed as a Director in terms of sub-section 2 of Section 164 of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate Report in Annexure I; and
- (g) With respect to the other matters to be included in the Auditors' 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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of subsidiaries, as noted in the 'Other Matter' paragraph:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group— Refer note 36 to the consolidated financial statements.
 - ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2017.
 - iv. The Company has provided requisite disclosures in its consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016 and these are in accordance with the books of account maintained by the Company. Refer Note 41 to the consolidated financial statements.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

Sd/-

Balajirao Pothana

Partner

Membership No: 122632

Mumbai
11 September 2017



Annexure I to Independent Auditors' Report – 31 March 2017

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 March 2017, we have audited the internal financial controls over financial reporting of Bharat Serums and Vaccines Limited (hereinafter referred to as "the Holding Company"), which is incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding 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 the Holding 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding 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") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding 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 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.



Annexure I to Independent Auditors' Report – 31 March 2017 (Continued)

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 Holding Company, have, 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 2017, based on the internal control over financial reporting criteria established by the Holding 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.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting is restricted to the Holding Company since all the subsidiaries of the Group are foreign subsidiaries, which are not subject to the report on the Internal Financial Controls.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Sd/-
Balajirao Pothana
Partner

Membership No: 122632

Mumbai
11 September 2017



BHARAT SERUMS AND VACCINES LIMITED

Consolidated balance sheet as at 31 March 2017

(Currency: Indian rupees in Lakhs)

	Note	31 March 2017	31 March 2016
Equity and liabilities			
Shareholders' funds:			
Share capital	3	1,036.89	991.75
Reserves and surplus	4	<u>31,872.42</u>	<u>24,603.88</u>
		32,909.31	25,595.63
Non-current liabilities:			
Long-term borrowings	5	3,694.24	6,307.78
Deferred tax liabilities (net)	6	2,457.21	2,494.46
Other long-term liabilities	7	1,829.33	1,488.25
Long-term provisions	8	<u>1,239.49</u>	<u>659.36</u>
		9,220.27	10,949.85
Current liabilities:			
Short-term borrowings	9	11,014.65	11,888.57
Trade payables	10		
Dues to micro and small enterprises		12.48	6.13
Dues to others		3,249.79	3,683.57
Other current liabilities	11	5,926.01	7,146.75
Short-term provisions	8	<u>1,559.27</u>	<u>1,468.81</u>
		21,762.20	24,193.83
	TOTAL	<u>63,891.78</u>	<u>60,739.31</u>
Assets			
Non-current assets:			
Fixed assets			
Tangible fixed assets (Property, plant and equipment)	12	12,718.08	12,471.82
Intangible fixed assets	13	4,752.88	5,585.34
Capital work-in-progress		3,551.48	1,604.38
Intangible fixed assets under development		3,932.67	3,891.72
Long-term loans and advances	14	6,648.77	7,176.93
Other non-current assets	15	<u>110.39</u>	<u>64.28</u>
		31,714.27	30,794.47
Current assets:			
Inventories	16	14,059.06	13,756.58
Trade receivables	17	11,939.63	9,861.07
Cash and bank balances	18	1,171.44	1,447.44
Short-term loans and advances	14	3,663.95	3,487.96
Other current assets	15	<u>1,343.43</u>	<u>1,391.79</u>
		32,177.51	29,944.84
	TOTAL	<u>63,891.78</u>	<u>60,739.31</u>

Significant accounting policies

2

The notes referred to above form an integral part of the financial statements

3-43

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

For and on behalf of the board of directors of

Bharat Serums and Vaccines Limited

CIN : U24230MH1971PLC015134

Sd/-

Balajirao Pothana

Partner

Membership No: 122632

Sd/-

Bharat V Daftary

Chairman and Managing Director

DIN : 00011518

Sd/-

Gautam V Daftary

Managing Director

DIN : 00009326

Sd/-

Anil M Damle

Chief Financial Officer

Sd/-

Charudatta S Samant

Company Secretary

Membership No. A22337

Place: Mumbai

Date : 11 September 2017

Place: Mumbai

Date : 11 September 2017



BHARAT SERUMS AND VACCINES LIMITED

Consolidated statement of profit and loss for the year ended 31 March 2017

(Currency : Indian rupees in Lakhs)

	Note	31 March 2017	31 March 2016
Income:			
Revenue from operations (gross)	19	67,646.15	60,091.43
Less: Excise duty		854.48	286.35
Revenue from operations (net)		66,791.67	59,805.08
Other income	20	1,501.84	942.23
Total income (I)		68,293.51	60,747.31
Expenses:			
Cost of materials consumed	21	19,637.37	14,540.66
Purchases of stock-in-trade	22	5,779.15	7,276.93
Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	(888.18)	(2,072.06)
Employee benefits expense	24	12,057.71	10,439.73
Other expenses	25	20,160.89	19,437.81
Total expenses (II)		56,746.94	49,623.07
Earnings before interest, tax, depreciation, amortisation and exceptional items (EBITDA) (I)-(II) (Refer Note : 2 (w))			
Depreciation and amortisation	27	3,161.55	3,015.15
Finance costs	28	1,978.33	1,980.59
Profit before exceptional items and tax		6,406.69	6,128.50
Exceptional items	29	1,228.79	-
Profit before tax		5,177.90	6,128.50
Tax expense:			
Current tax		1,034.40	1,255.15
MAT credit entitlement for current year		(112.30)	(1,255.15)
Short / (excess) provision for income tax for earlier years		-	88.07
Deferred tax (credit) / charge		(37.25)	1,088.95
Total tax expense		884.85	1,177.02
Profit for the year		4,293.05	4,951.48
Earnings per equity share nominal value of share Rs.5 (31 March 2016: Rs.5) each			
Basic (Rs.)	30	24.64	27.93
Diluted (Rs.)		20.87	24.12

Significant accounting policies

2

The notes referred to above form an integral part of the financial statements

3-43

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

For and on behalf of the board of directors of

Bharat Serums and Vaccines Limited

CIN : U24230MH1971PLC015134

Sd/-

Balajirao Pothana

Partner

Membership No: 122632

Sd/-

Bharat V Daftary

Chairman and Managing Director

DIN : 00011518

Sd/-

Gautam V Daftary

Managing Director

DIN : 00009326

Sd/-

Anil M Damle

Chief Financial Officer

Sd/-

Charudatta S Samant

Company Secretary

Membership No. A22337

Place: Mumbai

Date : 11 September 2017

Place: Mumbai

Date : 11 September 2017



BHARAT SERUMS AND VACCINES LIMITED

Consolidated cash flow statement for the year ended 31 March 2017

(Currency : Indian rupees in Lakhs)

	31 March 2017	31 March 2016
Cash flow from operating activities		
Profit before tax	5,177.90	6,128.50
Adjustment to reconcile profit before tax to net cash flows:		
Depreciation / amortisation	3,161.55	3,015.15
Profit on sale of fixed assets	(140.38)	(214.39)
Fixed assets / Capital work in progress written off	16.56	194.33
Vat / CST balance receivable from department written off	1,228.79	-
Provision for doubtful debts	-	68.23
Provision written back doubtful advances and deposits	(104.95)	(61.23)
Bad debts written off	1,105.08	125.90
Sundry balances written off	200.55	101.61
Sundry balances written back	(192.15)	(92.31)
Unrealized foreign exchange (gain) / loss	(99.39)	(181.50)
Interest expense	1,903.81	1,881.76
Interest income	(225.73)	(112.95)
Operating profit before working capital changes	12,031.64	10,853.10
Movements in working capital :		
Decrease/(Increase) in trade payables	169.74	(266.09)
Decrease in provisions	697.42	562.21
Decrease in other liabilities	686.05	132.58
Increase in trade receivables	(2,353.38)	(764.05)
Increase in inventories	(818.11)	(3,723.57)
(Increase)/Decrease in loans and advances	(1,811.83)	106.45
Increase in other current / non-current assets	36.17	(607.97)
Cash generated from operations	8,637.70	6,292.66
Direct taxes paid (net of refunds)	(906.87)	(1,380.61)
Net cash flow from operating activities (A)	7,730.83	4,912.06
Cash flows from investing activities		
Purchase of fixed assets (Property, plant and equipment), including CWIP and capital advances	(5,218.53)	(2,677.85)
Proceeds from sale of fixed assets	158.13	208.07
Bank deposits (maturity exceeding 3 months)	313.02	(84.70)
Inter-corporate deposits given	(110.00)	(589.00)
Interest received	105.05	70.46
Net cash flow from (used in) investing activities (B)	(4,752.33)	(3,073.02)



BHARAT SERUMS AND VACCINES LIMITED

Consolidated cash flow statement for the year ended 31 March 2017

(Currency : Indian rupees in Lakhs)

	31 March 2017	31 March 2016
Cash flows from financing activities		
Proceeds from long-term borrowings	24.19	782.97
Repayment of long-term borrowings	(3,052.04)	(2,935.99)
Proceeds from / (Repayment of) short-term borrowings	(707.34)	5,136.81
Interest paid	(2,023.55)	(1,857.67)
Payment made to share holders for buy back of shares	-	(2,006.66)
Proceeds from issue of shares	2,999.99	-
Dividend and corporate dividend tax	(113.21)	(547.48)
Net cash flow (used in) / from financing activities (C)	(2,871.96)	(1,428.02)
Net (decrease) / increase in cash and cash equivalents (A + B + C)	106.53	411.01
Cash and cash equivalents at the beginning of the year	799.83	367.69
Net effect of exchange gain on cash and cash equivalents	(23.40)	21.13
Cash and cash equivalents at the end of the year	882.96	799.83
Components of cash and cash equivalents		
Cash on hand	11.30	12.18
Balances with bank:		
- on current account	871.66	787.65
Total cash and cash equivalents (Refer Note :18)	882.96	799.83

Note : The Cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard 3 on Cash Flow Statement prescribed in Companies (Accounting Standards) Rules, 2006, which continue to apply under section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014.

The notes referred to above form an integral part of the financial statements
As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

For and on behalf of the board of directors of

Bharat Serums and Vaccines Limited

CIN : U24230MH1971PLC015134

Sd/-

Balajirao Pothana

Partner

Membership No: 122632

Sd/-

Bharat V Daftary

Chairman and Managing Director

DIN : 00011518

Sd/-

Gautam V Daftary

Managing Director

DIN : 00009326

Sd/-

Anil M Damle

Chief Financial Officer

Sd/-

Charudatta S Samant

Company Secretary

Membership No. A22337

Place: Mumbai

Date : 11 September 2017

Place: Mumbai

Date : 11 September 2017



BHARAT SERUMS AND VACCINES LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2017

1) Group overview

Bharat Serums and Vaccines Limited (the Company) is a public limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Bharat Serums Group consist Bharat Serums and Vaccines Limited, the Parent Company, along with three foreign subsidiaries. The group is engaged in the business of research, development, manufacturing, marketing and sales of biological and pharmaceutical products in India and overseas market and its USA based subsidiary provides biomedical research and consulting services.

2) Summary of significant accounting policies

a) Principles of consolidation

The financial statements of the subsidiary companies used for the purposes of consolidation are drawn up to the same reporting date as that of the Company.

The Consolidated Financial Statements have been prepared on the following basis:

- (i) The Consolidated Financial Statements of the Company and its subsidiaries have been prepared in accordance with the Accounting Standard 21 (AS-21) "Consolidated Financial Statements", on line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and the unrealised profits / losses, unless cost cannot be recovered.
- (ii) The share of profit/loss of associate companies, if any, is accounted under the 'Equity method' as per which the share of profit/ loss of the associate company has been adjusted to the cost of investment. An associate is an enterprise in which the investor has significant influence and which is neither a subsidiary nor a joint venture.
- (iii) The excess of the cost to the Parent Company of its investments in a subsidiary over the Parent Company's portion of equity at the date on which the investment in the subsidiary is made, is recognised as 'Goodwill on consolidation'. When the cost to the Parent Company of its investment in a subsidiary is less than the Parent 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.
- (iv) Minority interest represents share in the net assets of the respective subsidiaries held by shareholders other than the Parent Company and or any of its subsidiaries.
- (v) The financial statements of the foreign subsidiaries have been converted into Indian Rupee, being the reporting currency of the Parent Company using the principles enunciated in Accounting Standard 11 "Effects of changes in foreign currency". In case a subsidiary is concluded as integral operations, all monetary assets and liabilities are re-measured at the exchange rates prevailing at the balance sheet date, with the resultant exchange difference accounted for in the consolidated profit and loss account. In case of subsidiaries that are non-integral operations, all assets and liabilities are translated at the exchange rates prevailing at the balance sheet date, profit and loss items are translated using the average exchange rates prevailing during the year and equity (including reserves and surplus) of such subsidiaries is computed using the historical exchange rates, difference arising from such translation is accumulated in the Currency Translation Reserve, until the disposal of the subsidiary
- (vi) The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.



BHARAT SERUMS AND VACCINES LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2017

(vii) Following subsidiary companies has been considered in the preparation of Consolidated Financial Statements:

Sr No	Name of the Company	Country of incorporation	Ownership as at March 31, 2017
1	BSV Bioscience GMBH	Germany	100%
2	BSV Bioscience Inc.	USA	100%
3	BSV Bioscience Philippines Inc.	Philippines	100%

b) Basis of preparation

The consolidated financial statements of Bharat Serums and Vaccines Limited (“the Company” or “BSVL” or “the Parent Company”) and its subsidiaries, (collectively referred to as “the Group”), have been prepared in accordance with the Generally Accepted Accounting Principles in India (‘Indian GAAP’) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014, as applicable. These financial statements (also referred to as “the Consolidated financial statements”) have been prepared under the historical cost convention on accrual basis, except for certain derivative instruments which are measured at fair value in accordance with accounting policy stated herein.

The consolidated financial statements are presented in Indian rupees in lakhs

c) Use of estimates

The preparation of consolidated financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the consolidated financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

d) Current–non-current classification

All assets and liabilities are classified into current and non-current.

Assets

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

- it is expected to be realised in, or is intended for sale or consumption in, the Group’s normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

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

- it is expected to be settled in the Group’s normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or



- d. The Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

e) Tangible fixed assets (*Property, Plant and Equipment*)

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

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

Tangible fixed assets under construction are disclosed as capital work-in-progress.

Leases under which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Assets taken on finance lease are initially capitalised at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to periods during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

f) Depreciation on tangible fixed assets

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Pursuant to the Act, being effective from 1 April 2014, the Group has revised the depreciation rates on fixed assets as per the useful life specified in Part 'C' of Schedule II of the Act. Depreciation on tangible fixed assets of the Group has been provided on the written down method as per the useful life prescribed in Schedule II to the Act.



Leasehold improvements are amortized over the useful life of assets or the lease term, whichever is lower.

Tangible Assets	Useful Life
Leasehold Land	Amortized over the period of Lease
Buildings	30 years
Plant and Machinery/ factory equipment/ Laboratory equipment	15 years to 20 years
Computers and Accessories	3 years
Electrical Installations	10 years
Furniture and Fixtures	10 years
Vehicles	8 years
Office Equipments	5 years
Live stock	15 years

Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives (not being greater than the useful life envisaged in Schedule II to the Act) unless it is reasonably certain that the Group will obtain ownership by the end of the lease term, in which case the depreciation rates applicable for similar assets owned by the Group are applied.

The useful lives are reviewed by the management at each financial year-end and revised, if appropriate. In case of a revision, the unamortised depreciable amount is charged over the revised remaining useful life.

g) Amortisation of Intangible fixed assets

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The Group uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. Intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

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

Research and development costs:

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Group can demonstrate all the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale.
- Its intention to complete the asset.
- Its ability to use or sell the asset.
- How the asset will generate future economic benefits.
- The availability of adequate resources to complete the development and to use or sell the asset.
- The ability to measure reliably the expenditure attributable to the intangible asset during development.



Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on a straight line basis over the lower of expected future benefit from the related project or the estimated useful life of ten years. Amortization is recognized in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

A summary of amortization policies applied to the Group's intangible assets is as below:

Assets	Useful Life
Patents and technical know-how	10 years
Computer software	05 years

h) Operating leases

Assets acquired under leases other than finance leases are classified as operating leases. The total lease rentals (including scheduled rental increases) in respect of an asset taken on operating lease are charged to the Statement of Profit and Loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern of the benefit.

Initial direct costs incurred specifically for an operating lease are deferred and charged to the statement of profit and loss over the lease term.

i) Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

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

j) Impairment of assets

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

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.



Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

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

k) Government grants and subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the Group will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Capital grants relating to specific fixed assets are reduced from the gross value of the respective fixed assets.

Where the Group receives non-monetary grants, the asset is accounted for on the basis of its acquisition cost. In case a non-monetary asset is given free of cost, it is recognized at a nominal value.

l) Investments

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

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

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

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

m) Inventories

Inventories which comprise raw materials, work-in-progress, finished goods, stock-in-trade, stores and spares, and loose tools are carried at the lower of cost and net realisable value.

Raw materials, stock-in-trade and stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, stock-in-trade, stores and spares and loose tools is determined on a weighted average cost method.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.



Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

n) Revenue recognition

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

Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The Group collects sales taxes and value added taxes (VAT) on behalf of the Government and, therefore, these are not economic benefits flowing to the Group. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

Income from Services

The Group provides manufacturing and diagnostic services to other companies and customers. The income from these services is recognised when the same is performed and accepted by the other party on the basis of invoices.

Interest

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.

o) Foreign currency translation

(i) Foreign currency transactions and balances

Foreign exchange transactions are recorded at the spot rates on the date of the respective transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the statement of profit and loss of the year, except for exchange fluctuations arising on settlement of long term foreign currency monetary assets or liabilities.

Exchange differences arising on settlement of long term foreign currency monetary assets or liabilities are adjusted to the cost of the specifically identifiable assets as per the option available under paragraph 46A of AS 11 'The effect of changes in exchange rates' inserted pursuant to notification GSR 914 (E) issued by the Ministry of Corporate Affairs dated 29 December 2011.

Restatement at reporting date

a) Short-term foreign currency monetary assets and liabilities

Short-term foreign currency monetary assets and liabilities denominated in foreign currency are translated at the year end at the closing exchange rate and the resultant exchange differences are recognized in the statement of profit and loss.

A monetary asset or liability denominated in foreign currency is designated as a short term monetary asset or liability if the original term at the time of origination of the asset or liability is less than 12 months.



b) Long-term monetary items

As per the option available under paragraph 46A of AS 11 'The effect of changes in exchange rates' inserted pursuant to notification GSR 914 (E) issued by the Ministry of Corporate Affairs dated 29 December 2011 in so far as they relate to recognition of losses or gains arising on restatement of long term monetary items, the Group has availed the option of adjusting the exchange differences on restatement of long term foreign currency monetary assets or liabilities to the historical cost of the depreciable asset where specifically identifiable and depreciating the same over the remaining useful life of the asset. All long term monetary assets or liabilities denominated in foreign currency are specifically identifiable with depreciable assets and hence no accumulation of exchange differences is made in the foreign currency monetary item translation difference account.

A monetary asset or liability denominated in foreign currency is designed as a long term monetary asset or liability if the original term at the time of origination of the asset or liability is more than 12 months.

Exchange fluctuations to the extent covered under paragraph 4 (e) of AS 16 – 'Borrowing cost' are also classified as exchange differences and disclosed accordingly.

(ii) Foreign Subsidiaries:

In case of foreign subsidiaries, the local accounts are maintained in their local currency, the functional currency.

a) The financial statements of the subsidiaries, whose operations are integral foreign operations for the Company, have been translated to Indian Rupees on the following basis:

- i) All income and expenses are translated at the average rate of exchange prevailing during the year.
- ii) Monetary assets and liabilities are translated at the closing rate on the Balance Sheet date.
- iii) Non-monetary assets and liabilities are translated at historical rates.
- iv) The resulting exchange difference is accounted in 'Exchange Rate Difference on Translation Account' and is charged / credited to the Consolidated Statement of Profit and Loss.

b) The financial statements of subsidiaries, whose operations are non-integral foreign operations for the Company, have been translated to Indian Rupees on the following basis:

- i) All income and expenses are translated at the average rate of exchange prevailing during the year.
- ii) Monetary and non-monetary assets and liabilities are translated at the closing rate as on the Balance Sheet date.
- iii) The resulting exchange difference is accounted in 'Foreign Currency Translation Reserve' and carried in the Balance Sheet.

(iii) Forward exchange contracts

a) Forward exchange contracts entered into to hedge foreign currency risk of an existing asset/ liability :

The premium or discount arising at the inception of forward exchange contract is amortized and recognized as an expense/ income over the life of the contract. Exchange differences on such contracts, except the contracts which are long-term foreign currency monetary items, are recognized in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the period.



- b) Forward foreign exchange contracts relating to highly probable forecast transaction (not intended for trading or speculation purpose) :

The Group follows the guidance in the announcement of the Institute of Chartered Accountants of India ('ICAI') dated 29 March 2008 whereby for each category of derivatives, the Group records any net mark-to-market losses. Net mark-to-market gains are not recorded for such derivatives.

p) Retirement and other employee benefits

Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

Post-employment benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Group makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Group's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

Defined benefit plans

The Group's gratuity benefit scheme and post-employment medical benefit scheme are defined benefit plans. The Group's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The calculation of the Group's obligation under each of the two plans is performed annually by a qualified actuary using the projected unit credit method.

The Group recognises all actuarial gains and losses arising from defined benefit plans immediately in the Statement of Profit and Loss. All expenses related to defined benefit plans are recognised in employee benefits expense in the Statement of Profit and Loss. When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognised in Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested. The Group recognises gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

Compensated Absences

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilised wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Group records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.



q) Income taxes

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

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

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

At each reporting date, the Group re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

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

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Group recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

r) Segment reporting

Identification of segments

The Group is operating only one business segment "pharmaceutical" as its primary segment. The analysis of geographical segments is based on the revenue generating locations. The geographical segment information of the Group is categorized under domestic sales and export sales.

Segment accounting policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements of the Group as a whole.



s) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

t) Provisions

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

u) Contingent liabilities

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

v) Cash and cash equivalents

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

w) Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Group has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Group measures EBITDA on the basis of profit / (loss) from continuing operations. In its measurement, the Group does not include depreciation and amortization expense, finance costs, exceptional items and tax expense.



BHARAT SERUMS AND VACCINES LIMITED

Notes to the consolidated financial statements as at 31 March 2017

(Currency : Indian rupees in Lakhs)

	31 March 2017	31 March 2016
3 Share capital		
Authorised share capital		
19,667,800 (31 March 2016: 19,667,800) Equity shares of Rs.5/- each	983.39	983.39
200 (31 March 2016: 200) Equity shares with differential voting right of Rs.5/- each	0.01	0.01
920,000 (31 March 2016: 920,000) 0.01% Convertible redeemable preference shares of Rs.5/- each ('CRPS')	46.00	46.00
742,000 (31 March 2016: 742,000) 0.01% Convertible cumulative preference shares of Rs.5/- each series - I ('CCPS-I')	37.10	37.10
1,350,000 (31 March 2016: 1,350,000) 0.01% Convertible cumulative preference shares of Rs.5/- each series - II ('CCPS-II')	67.50	67.50
920,000 (31 March 2016: 920,000) 0.01% Convertible cumulative preference shares of Rs.5/- each series - III ('CCPS-III')	46.00	46.00
400,000 (31 March 2016: 400,000) 0.01% Convertible cumulative preference shares of Rs.5/- each series - IV ('CCPS-IV')	20.00	20.00
Total	1,200.00	1,200.00
Issued, subscribed and fully paid-up shares		
Equity share capital		
18,734,913 (31 March 2016: 16,858,957) Equity shares of Rs.5/- each	936.75	842.95
100 (31 March 2016: 100) Equity shares with differential voting right of Rs.5/- each	0.01	0.01
Preference share capital		
Nil (31 March 2016: 919,243) 0.01% Convertible redeemable preference shares of Rs.5/- each ('CRPS')	-	45.96
714,119 (31 March 2016: 714,119) 0.01% Convertible cumulative preference shares of Rs.5/- each series - I (of the above 1.75 lakhs shares have been issued as bonus shares by utilising securities premium account) ('CCPS-I')	35.71	35.71
10 (31 March 2016: 1,342,444) 0.01% Convertible cumulative preference shares of Rs.5/- each series - II ('CCPS-II')	0.00	67.12
	(*)	
919,243 (31 March 2016: Nil) 0.01% Convertible cumulative preference shares of Rs.5/- each series - III ('CCPS-III')	45.96	-
369,135 (31 March 2016: Nil) 0.01% Convertible cumulative preference shares of Rs.5/- each series - IV ('CCPS-IV')	18.46	-
	1,036.89	991.75
(*) Amount less than Rs.1000		

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

	31 March 2017		31 March 2016	
	No. of Shares	Amount	No. of Shares	Amount
Equity shares:				
At the beginning of the period	16,859,057	842.95	17,120,743	856.03
Add: Issue of bonus shares	521,949	26.10	-	-
Add: Conversion of CCPS II to equity shares	1,354,007	67.70	-	-
Less: Shares extinguished on buyback	-	-	261,686	13.08
At the end of the period	18,735,013	936.75	16,859,057	842.95



BHARAT SERUMS AND VACCINES LIMITED

Notes to the consolidated financial statements as at 31 March 2017

(Currency: Indian rupees in Lakhs)

3. Share capital (Continued)

Preference shares: (Refer Note : 3(c))		31 March 2017		31 March 2016	
CRPS:					
At the beginning of the period		919,243	45.96	919,243	45.96
Less: Conversion of CRPS to CCPS III		919,243	45.96	-	-
At the end of the period		-	-	919,243	45.96
CCPS I:					
At the beginning and the end of the period		714,119	35.71	714,119	35.71
At the end of the period		714,119	35.71	714,119	35.71
CCPS II:					
At the beginning of the period		1,342,444	67.12	1,342,444	67.12
Less: Conversion of CCPS II to equity shares		1,342,434	67.12	-	-
At the end of the period		10	0.00*	1,342,444	67.12
(*) Amount less than Rs.1000					
CCPS III:					
At the beginning of the period		-	-	-	-
Add: Conversion of CRPS to CCPS III		919,243	45.96	-	-
At the end of the period		919,243	45.96	-	-
CCPS IV:					
At the beginning of the period		-	-	-	-
Add: Fresh issue of preference shares		369,135	18.46	-	-
At the end of the period		369,135	18.46	-	-

Shares bought back (during 5 financial years immediately preceding 31 March 2017)

	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14	31-Mar-13
Equity Shares bought back	-	261,686	-	-	-

The Board of Directors at its meeting held on 2 June 2016, approved the issue of bonus shares to its present equity shareholder (before conversion of CCPS II to Equity shareholder) in the ratio of 10 equity shares for every 323 equity shares held by share holders

The Board of Directors at its meeting held on 2 June 2016, approved the proposal of conversion of 919,243 CRPS shares to 919,243 of CCPS III shares, also 1,342,434 CCPS shares to 1,354,007 Equity shares in the ratio of 117 equity shares for every 116 CCPS shares.

The Board of Directors in their meeting dated 2 Aug 2016 resolved and approved the share purchase and subscription agreement to be entered between the shareholders and the Company to issue 369,135 Compulsorily Convertible Cumulative Preference Shares ("CCPS") @ Rs.812.71 per share, amounting to Rs.2,999.99 lakhs.

The Board of Directors at its meeting held on 19 September 2015 approved the proposal of buyback of 261,686 equity shares of Rs.5 each from shareholders of the Company in accordance with the relevant provisions of Companies Act, 2013 at a price of Rs.624 per equity share, aggregating Rs.1,632.92 Lakhs. Out of which Rs.1,619.83 Lakhs has been utilised in respect of the buy back from Securities premium account. Further, a sum of Rs.13.08 Lakhs has been appropriated from General reserve to Capital redemption reserve and the same has been reduced from the paid up share capital.



BHARAT SERUMS AND VACCINES LIMITED

Notes to the consolidated financial statements as at 31 March 2017

(Currency : Indian rupees in Lakhs)

3. Share capital (Continued)

b. Rights and terms attached to equity shares

The Company has two class of equity shares viz. Ordinary Equity Shares and Differential Voting Rights Shares (DVRS), each having par value of Rs.5 per share. The holder of ordinary equity shares is entitled to one vote per share, however, the holder of DVRS is entitled to 14,580 votes per share. The Company declares and pays dividends on shares in Indian rupees. The dividend proposed on ordinary shares by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31 March 2017, the amount of per share dividend recognized (interim and final) as distributions to equity shareholders is Rs. Nil (31 March 2016: Rs.1.38).

The board of directors have proposed a final dividend of Rs.1.38 at their meeting held on 11 September 2017. Pursuant to the Companies (Accounting Standards) Amendment Rules, 2016 applicable with effect from 1 April 2016, this dividend (including dividend distribution tax) will be recorded and paid post the approval of share holders in the Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Rights and terms of conversion / redemption of Preference Shares

The Company has two class of preference shares viz. Convertible Redeemable Preference Shares (CRPS) and Compulsorily Convertible Cumulative Preference Shares (CCPS) Series I and Series II. The brief terms are as under:

Terms	CRPS	CCPS
1. Face Value	Rs.5 per share	Rs.5 per share
2. Dividend Rights	Preferential Dividend @ 0.01% coupon rate and Participatory dividend equivalent to Equity Dividend. In the event the Company does not pay the preferential dividend for any Financial Year, the same shall be cumulated and paid along with the preferential dividend declared and paid in the succeeding years.	Preferential Dividend @ 0.01% coupon rate and Participatory dividend equivalent to Equity Dividend. In the event the Company does not pay the preferential dividend for any Financial Year, the same shall be cumulated and paid along with the preferential dividend declared and paid in the succeeding years.
3. Tenure	10 years from the date of issue	20 years from the date of issue
4. Conversion Ratio	Each CRPS shall be converted into 1 (one) Equity Share of the Company	Each CCPS shall be converted into 1 (one) Equity Share of the Company
5. Conversion Right	Upon occurrence of a QIPO/IPO or Strategic Sale, holders of CRPS shall be converted into Equity Shares of the Company.	Upon occurrence of a QIPO/IPO or Strategic Sale, holders of CCPS shall be converted into Equity Shares of the Company.
6. Buyback/Redemption Right	Holder has a right to get CRPS redeemed or purchased by the Company as per the terms of Shareholder's Agreement.	Holder has a right to get CCPS purchased by the Company as per the terms of Shareholder's Agreement.
7. Compulsory Conversion	At the expiry of tenure of the CRPS	At the expiry of tenure of the CCPS
8. Liquidation Right	In the event of liquidation of the company before conversion/ redemption of CRPS, the holders of CRPS will have priority over equity shares in the payment of dividend and repayment of capital.	In the event of liquidation of the company before conversion/ redemption of CCPS, the holders of CCPS will have priority over equity shares in the payment of dividend and repayment of capital.
9. Pari Passu Participation Right	The CRPS holder shall have a right to participate in sharing the surplus remaining available post distribution of the face value to the holders of Equity Shares.	The CCPS holder shall have a right to participate in sharing the surplus remaining available post distribution of the face value to the holders of Equity Shares.



BHARAT SERUMS AND VACCINES LIMITED

Notes to the consolidated financial statements as at 31 March 2017

(Currency : Indian rupees in Lakhs)

3 Share capital (Continued)

e. Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at 31 March 2017		As at 31 March 2016	
	No of shares	% holding in the class	No of shares	% holding in the class
Equity shares of Rs.5 each fully paid				
Gautam V. Daftary	2,965,862	15.83%	2,876,797	17.06%
Bharat V. Daftary	2,965,862	15.83%	2,876,797	17.06%
Bharat V. Daftary Jt. Bhavna Daftary	1,830,322	9.77%	1,775,357	10.53%
Gautam V. Daftary Jt. Aarti Daftary	1,830,322	9.77%	1,775,357	10.53%
Aarti Daftary Jt. Gautam Daftary	1,043,847	5.57%	1,012,500	6.01%
Aksipro Diagnostic Private Limited.	927,864	4.95%	900,000	5.34%
Bhavna Daftary Jt. Bharat Daftary	1,043,847	5.57%	1,012,500	6.01%
Kotak India Growth Fund II (KIGF-II)	-	0.00%	1,201,740	7.13%
Orbimed Asia Mauritius Limited	2,075,017	11.08%	-	-
Orbimed Asia II Mauritius FVCI Investments Limited	1,264,554	6.75%	-	-
DVRS of Rs.5 each fully paid				
Kotak India Growth Fund II (KIGF-II)	-	-	61	61.00%
Kotak India Private Equity Fund (KIPEF)	-	-	39	39.00%
Orbimed Asia II Mauritius FVCI Investments Limited	50	50.00%	-	-
Kotak India Private Equity Fund III	50	50.00%	-	-
CRPS of Rs.5 each fully paid				
Kotak India Growth Fund II (KIGF-II)	-	-	892,305	97.07%
CCPS-I of Rs.5 each fully paid				
Kotak India Private Equity Fund (KIPEF)	714,119	100.00%	714,119	100.00%
CCPS-II of Rs.5 each fully paid				
Orbimed Asia Mauritius Limited	10	100.00%	1,342,444	100.00%
CCPS-III of Rs.5 each fully paid				
Orbimed Asia II Mauritius FVCI Investments Limited	919,243	100%	-	-
CCPS-IV of Rs.5 each fully paid				
Orbimed Asia II Mauritius FVCI Investments Limited	68,000	18.42%	-	-
kotak India Private Equity Fund III	64,373	17.44%	-	-
Kotak Mahindra Old Mutual Life Insurance Limited	149,304	40.45%	-	-
Kotak India Growth Fund III	87,458	23.69%	-	-

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.



BHARAT SERUMS AND VACCINES LIMITED

Notes to the consolidated financial statements as at 31 March 2017

(Currency: Indian rupees in Lakhs)

4 Reserves and surplus	31 March 2017	31 March 2016
Capital reserves		
At the beginning and at the end of the year	0.31	0.31
Capital redemption reserve		
At the beginning of the year	48.05	34.97
Amount transferred from surplus	-	13.08
At the end of the year	<u>48.05</u>	<u>48.05</u>
Securities premium account		
At the commencement of the year	4,714.20	6334.03
Amount used for buy back of shares	-	1619.83
On issue of additional equity shares	2,981.54	-
At the end of the year	<u>7,695.74</u>	<u>4,714.20</u>
General reserves		
At the commencement of the year	5,271.95	4,840.03
Amount transferred from surplus	-	445.00
Amount transferred to capital redemption reserve	-	13.08
Amount used for issue of bonus shares	26.10	-
Amount used for conversion of CCPS II to equity shares	0.58	-
	<u>5,245.27</u>	<u>5,271.95</u>
Foreign currency translation reserve		
At the commencement of the year	83.20	213.76
Effect of foreign exchange rate variations for current year	20.62	(130.56)
	<u>103.82</u>	<u>83.20</u>
Surplus (Profit and loss balance)		
At the commencement of the year	14,486.18	10,681.72
Profit for the year	4,293.05	4,951.48
<i>Appropriations</i>		
Equity dividend amount per share Rs. Nil (31 March 2016 Rs.1.38)	-	231.81
Tax on equity dividend	-	47.19
Preference shares dividend amount per share Rs. Nil (31 March 2016 Rs.1.38)	-	40.94
Tax on preference shares dividend	-	8.34
Tax on buyback of shares	-	373.74
Transfer to general reserves	-	445.00
Total appropriations	-	1,147.02
Net surplus in the statement of profit and loss	<u>18,779.23</u>	<u>14,486.18</u>
Total reserves and surplus	<u>31,872.42</u>	<u>24,603.88</u>



BHARAT SERUMS AND VACCINES LIMITED

Notes to the consolidated financial statements as at 31 March 2017

(Currency : Indian rupees in Lakhs)

5 Long-term borrowings

	Non-current portion		Current portion	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
Secured :				
Term loan				
Indian Rupee loan from banks	1,160.71	2,496.43	1,208.57	1,333.57
Foreign currency loan from banks	537.90	1,363.52	801.74	975.23
Vehicle loans	-	-	4.24	16.02
Hire purchase loan from suppliers	-	-	-	5.80
Loan from Department of Biotechnology	377.18	471.53	94.31	101.89
Working capital term loan	645.42	702.26	-	-
Finance lease obligations	563.84	728.45	145.77	411.93
Unsecured :				
Loan from Department of Science and Technology	409.19	545.59	136.40	136.40
	<u>3,694.24</u>	<u>6,307.78</u>	<u>2,391.03</u>	<u>2,980.84</u>
Amount disclosed under the head "Other current liabilities" (Refer Note : 11)	-	-	2,391.03	2,980.84
	<u>3,694.24</u>	<u>6,307.78</u>	<u>-</u>	<u>-</u>

Note:-

- 1 Indian Rupee Term Loans taken from various banks is secured by way of the hypothecation of movable assets and the first pari-passu charge on immovable assets of the Company situated at Ambarnath Plant and office at Nariman Point. Terms of repayment are as under:

Bank Name	Rate of interest p.a	No. of quarterly instalments pending	Installment Amount	Commencement from
Exim Bank	11.45%	9	127.14	Mar-11
Exim Bank	10.85%	7	175.00	Jan-14

- 2 The foreign currency term loan is taken from Exim Bank during the financial year 2012-13 which carries interest at applicable LIBOR plus margin (550 basis points). It is repayable in 20 equal quarterly installments of USD 69,251 each commencing 28 September 2014. The term loan is secured by first charge on immovable properties (Fixed assets at Ambarnath and Office at Nariman Point), present and future, of the Company.
- 3 Vehicle loan carries interest rate varies from 10.49% p.a. to 12.25% and is repayable in 36 equal installments of Rs.1.53 lakhs commencing March 2014.
- 4 Hire purchase loan from supplier for computer and peripherals carries interest rate of 9.50% p.a. to 14.60% p.a. and for period of 15 months from the date of delivery.
- 5 Loan from Department of Biotechnology is secured by way of the hypothecation of movable assets. The loan carries interest at the rate of 3% p.a. and is repayable in 10 equal yearly installments of Rs.94.30 lakhs commencing from July 2012.
- 6 Finance lease obligations are secured by leased equipments and leasehold improvements. The rate of interest implicit in finance lease is 12.07% to 15.94% p.a, for a period of 3 to 5 years.
- 7 Loan from Department of Science and Technology carries interest at the rate of 3% p.a. and is repayable in 10 equal yearly installments of Rs.65.69 lakhs and Rs.70.70 lakhs each commencing 1 April 2009 and 1 April 2011 for two projects .
- 8 **Details of foreign currency term loan of BSV Bioscience GmbH (Subsidiary)**

Bank name	Rate of interest p.a	No. of installments pending	Installment Amount	Commencement from
Exim Bank	Libor +5%	5	103.94	Mar-11
Exim Bank	Libor +5.5%	8	51.97	Feb-12



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Notes to the consolidated financial statements as at 31 March 2017

(Currency : Indian rupees in Lakhs)

	31 March 2017	31 March 2016
6 Deferred tax liabilities (Net)		
Deferred tax liability on account of		
Excess of depreciation/ amortisation on fixed assets under income-tax law over depreciation/amortisation provided in accounts	2,317.66	2,653.54
Expenditure covered by Section 35 (2AB) of Income-tax Act, 1961	1,361.02	1,346.85
Deferred tax liability	(A) 3,678.68	4,000.39
Deferred tax assets on account of		
Carry forward business losses and depreciation	-	375.25
Expenditure covered by section 43B of Income-tax Act, 1961	605.19	466.95
Provision for doubtful debts and advances	58.17	310.03
Other provisions	558.11	353.70
Deferred tax assets	(B) 1,221.47	1,505.93
Net deferred tax liability (A-B)	2,457.21	2,494.46
7 Other long-term liabilities		
Security deposits	1,765.55	1,386.67
<u>Deferred income</u>		
Profit on sale and lease back transaction	-	37.37
Licencing income	63.78	64.21
	1,829.33	1,488.25

8 Provisions

	Long term		Short term	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
Provision for employee benefits				
Provision for gratuity (Refer note 31)	284.72	81.22	90.40	138.03
Provision for compensated absences	722.07	578.14	667.56	570.96
(A)	1,006.79	659.36	757.96	708.99
Other provisions				
Provision for sales return (Refer note below)	232.70	-	695.85	627.53
Provision for current tax (Net of advance tax Rs.1,800.87 lakhs (31 March 2016: Rs.754.56 lakhs))	-	-	105.46	18.89
Proposed equity dividend	-	-	-	80.08
Tax on proposed equity dividend	-	-	-	16.30
Proposed preference shares dividend	-	-	-	14.14
Tax on proposed preference shares dividend	-	-	-	2.88
(B)	232.70	-	801.31	759.82
Total (A+B)	1,239.49	659.36	1,559.27	1,468.81

Note: Additional disclosures relating to provision for sales return : (as per Accounting standard 29)

	31 March 2017	31 March 2016
At the commencement of the year	627.53	436.21
Provision made during the year	928.55	627.53
Provision utilised during the year	627.53	436.21
At the end of the year	928.55	627.53



BHARAT SERUMS AND VACCINES LIMITED

Notes to the consolidated financial statements as at 31 March 2017

(Currency: Indian rupees in Lakhs)

9 Short-term borrowings

Loans repayable on demand

Secured:

Cash credit from banks	4,960.39	4,130.86
Buyers credit from banks	3,187.84	1,242.42
Packing credit foreign currency	-	856.45
Foreign bill discounting	376.88	394.77
Working capital demand loan	2,489.54	5,264.07
	11,014.65	11,888.57

Note:

- 1 Cash credit, buyers credit, packing credit foreign currency, foreign bill discounting and working capital demand loan from banks are secured by way of hypothecation of raw material, packing material, materials under process, finished goods, book debts, machinery and other movable assets of the Company; first pari-passu charge on the immovable assets of the Company situated at Thane Factory; and second charge on the immovable assets of the Company situated at Ambarnath Plant. All these loans are repayable on demand.
- 2 The cash credit carries interest of 10.50% to 12.15% p.a.
- 3 The buyers credit from banks carries average interest rate of libor + 0.32% p.a. to 3.50% p.a.
- 4 Packing credit and foreign bill discounting carries average interest rate of libor + 1.50% p.a. to 3.50% p.a.
- 5 Working capital demand loan carries interest rate of 10.75% to 11.50%

10 Trade payables

Trade payables	3,262.27	3,689.70
	3,262.27	3,689.70

11 Other current liabilities

	31 March 2017	31 March 2016
Current maturities of long-term borrowings (Refer Note : 5)	2,245.26	2,568.91
Current maturities of finance lease obligations (Refer Note : 5)	145.77	411.93
Interest accrued but not due on borrowings	210.30	337.83
Salary payable	183.31	166.51
Bonus payable	224.45	215.00
<u>Statutory liabilities</u>		
Sales tax payable	130.64	169.14
Service tax payable	21.57	34.68
TDS payable	172.77	134.96
Others	124.62	93.12
Payable for capital expenses	127.53	208.38
Advances from customers	631.94	536.67
Unpaid incentives	166.52	203.68
Payable for expenses	1,259.10	1,848.37
Forward contract liability	173.45	60.25
<u>Deferred income</u>		
Profit on sale and lease back transaction	19.94	129.96
Licencing income	17.86	17.86
Security deposits	70.98	9.51
	5,926.01	7,146.75



12 Tangible fixed assets (Property, plant and equipment)

(Currency: Indian rupees in Lakhs)

Cost	Freehold land (b)	Leasehold land (a)	Building (a)	Plant and machinery	Furniture and fixtures	Office equipment	Vehicles (c)	Leasehold improvements	Live stock	Total
Balance as at 1 April 2015	216.04	225.38	6,705.19	10,578.48	426.83	685.10	303.59	403.80	109.40	19,653.81
Additions	-	-	1,955.44	1,133.57	152.49	248.64	46.88	307.74	64.98	3,909.74
Disposal	-	-	21.17	1.81	-	-	6.48	-	59.72	89.18
Foreign currency translation adjustment	10.18	131.46	85.61	0.22	0.22	1.00	0.98	-	-	229.45
Balance as at 31 March 2016	226.22	225.38	8,770.92	11,795.85	579.54	934.74	344.97	711.54	114.66	23,703.82
Additions	-	-	199.08	2,077.88	51.10	50.32	137.45	2.27	48.87	2,566.97
Disposal	-	-	-	104.22	0.22	38.94	107.15	-	21.18	271.71
Foreign currency translation adjustment	7.57	-	99.03	84.13	0.59	1.44	-	-	-	192.76
Balance as at 31 March 2017	218.65	225.38	8,870.97	13,685.38	629.83	944.68	375.27	713.81	142.35	25,806.32
Depreciation										
Balance as at 1 April 2015	-	24.67	2,441.32	5,534.09	284.86	545.42	178.94	16.58	25.05	9,050.93
Depreciation for the year	-	2.40	452.18	1,250.32	67.75	132.63	46.27	150.07	17.46	2,119.08
Accumulated depreciation on disposals	-	-	2.03	0.34	-	-	4.09	-	21.53	27.99
Foreign currency translation adjustment	-	-	40.00	48.54	0.18	0.31	0.96	-	-	89.99
Balance as at 31 March 2016	-	27.07	2,931.47	6,832.61	352.79	678.36	222.08	166.65	20.98	11,232.00
Depreciation for the year	-	11.75	459.18	1,258.78	61.41	127.77	61.83	142.97	19.50	2,143.18
Accumulated depreciation on disposals	-	-	-	65.84	0.17	36.67	83.55	-	15.94	202.17
Foreign currency translation adjustment	-	-	37.98	46.25	0.16	0.38	-	-	-	84.77
Balance as at 31 March 2017	-	38.82	3,352.67	7,979.30	413.87	769.08	200.36	309.62	24.54	13,088.24
Net block										
As at 31 March 2016	226.22	198.31	5,839.45	4,963.24	226.74	256.37	122.89	544.89	93.68	12,471.82
As at 31 March 2017	218.65	186.56	5,518.30	5,706.08	215.96	175.60	174.91	404.19	117.81	12,718.08

- a. Building includes Rs.2.50 lakhs (31 March 2016 Rs.2.50 lakhs) representing cost of unquoted fully paid shares held in a co-operative housing society.
- b. Freehold land includes Rs.118.95 lakhs held in the name of directors, on behalf of the Company. The freehold land include Rs.89.26 lakhs out of which certain portion of land contended as forest land by the forest department, however, the company has been legally advised that the contention of forest department is not tenable.
- c. Vehicles includes vehicles in the personal name of directors / employee having Gross Block Rs.31.56 lakhs and WDV Rs.4.69 lakhs (31 March 2016 - Gross Block Rs.84.21 lakhs and WDV Rs.25.91 lakhs).
- d. The Company has exercised the option given under paragraph 46A of AS 11, exchange loss on repayment and restatement of long term monetary liabilities. The amount of such exchange (gain) / loss at 31 March 2017 aggregating Rs. (7.43) lakhs (31 March 2016 : Rs.42.13 lakhs) has been capitalised to the specifically identifiable asset.
- e. Assets taken on finance lease :

Particulars	Plant and machinery		Furniture and fixtures		Office equipment		Leasehold improvements	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016
Gross block	913.33	913.33	97.93	97.93	51.27	51.27	694.25	694.25
Depreciation charge for the year	279.78	281.59	18.70	25.32	11.88	21.90	142.97	143.20
Accumulated depreciation	842.46	562.68	44.35	25.65	37.02	25.14	302.75	159.78
Net block value	70.87	350.65	53.58	72.28	14.25	26.13	391.50	534.47



BHARAT SERUMS AND VACCINES LIMITED

Notes to the consolidated financial statements as at 31 March 2017

(Currency: Indian rupees in Lakhs)

13 Intangible fixed assets

	Software	Patents	Technical know-how	Total
Gross block				
At 1 April 2015	476.07	283.24	7,696.95	8,456.26
Additions	106.43	-	413.68	520.11
Disposal	5.39	-	-	5.39
Foreign currency translation reserve	0.53	-	-	0.53
Balance as at 31 March 2016	577.63	283.24	8,110.63	8,971.51
Additions	186.75	-	-	186.75
Disposal	-	-	-	-
Foreign currency translation reserve	1.04	-	-	1.04
Balance as at 31 March 2017	763.34	283.24	8,110.63	9,157.22
Amortisation				
At 1 April 2015	204.83	207.91	2,071.96	2,484.70
Charge for the year	103.14	15.92	782.35	901.41
Foreign currency translation reserve	0.06	-	-	0.06
	308.03	223.83	2,854.31	3,386.17
Charge for the year	194.74	12.44	811.06	1,018.24
Foreign currency translation reserve	0.07	-	-	0.07
Balance as at 31 March 2017	502.70	236.27	3,665.37	4,404.34
Net block				
At 31 March 2016	269.61	59.41	5,256.31	5,585.34
At 31 March 2017	260.64	46.97	4,445.27	4,752.88



BHARAT SERUMS AND VACCINES LIMITED

Notes to the consolidated financial statements as at 31 March 2017

(Currency : Indian rupees in Lakhs)

14 Loans and advances

	Non-current		Current	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
To parties other than related parties				
(Unsecured)				
Capital advances				
Considered good	749.57	1,435.47	-	-
Considered doubtful	20.90	90.15	-	-
Less : Provision for doubtful advances	20.90	90.15	-	-
	<u>749.57</u>	<u>1,435.47</u>	<u>-</u>	<u>-</u>
Security deposit				
Considered good	851.57	811.39	165.35	74.59
Considered doubtful	100.00	100.00	-	-
Less : Provision for doubtful deposits	100.00	100.00	-	-
	<u>851.57</u>	<u>811.39</u>	<u>165.35</u>	<u>74.59</u>
Inter-corporate deposits*			1,049.00	939.00
Advances recoverable in cash or kind				
Advance to suppliers				
Considered good	-	-	1,277.69	1,441.98
Considered doubtful	-	-	47.17	105.59
Less : Provision for doubtful advances	-	-	47.17	105.59
	<u>-</u>	<u>-</u>	<u>1,277.69</u>	<u>1,441.98</u>
Others	-	-	49.12	230.96
	<u>-</u>	<u>-</u>	<u>49.12</u>	<u>230.96</u>
Other loans and advances				
Loans to employees	25.01	16.58	26.26	26.26
Advance to employees for expenses	-	-	175.81	152.42
Advance income tax (Net of provision for income-tax Rs.4,399.16 lakhs (March 2016 Rs.3,365.29 lakhs))	504.42	507.59	-	-
MAT credit entitlement receivable	4,512.74	4,400.44	-	-
Balance with statutory/ Government authorities	-	-	615.59	319.58
Prepaid expenses	5.46	5.46	273.49	242.65
	<u>5,047.63</u>	<u>4,930.07</u>	<u>1,091.15</u>	<u>740.91</u>
(A)	<u>6,648.77</u>	<u>7,176.93</u>	<u>3,632.31</u>	<u>3,427.44</u>
To related parties				
Advances recoverable in cash or kind				
(Unsecured, considered good)				
Advance to suppliers	-	-	31.65	60.52
(B)	<u>-</u>	<u>-</u>	<u>31.65</u>	<u>60.52</u>
Total (A+B)	<u>6,648.77</u>	<u>7,176.93</u>	<u>3,663.96</u>	<u>3,487.96</u>

* Secured by pledge of shares and personal guarantee by all directors in those companies

15 Other assets

	Non-current		Current	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
Unsecured, considered good				
unless stated otherwise				
Non-current bank balances (Refer Note :18)	110.39	64.28	-	-
(A)	<u>110.39</u>	<u>64.28</u>	<u>-</u>	<u>-</u>
Others				
Other receivables	-	-	12.79	165.70
Receivables from custom authorities	-	-	15.11	135.73
Interest accrued	-	-	18.00	16.70
Export entitlements receivable	-	-	981.89	973.00
Unamortised premium on forward contracts	-	-	111.00	5.27
Other advances	-	-	204.64	95.39
	<u>-</u>	<u>-</u>	<u>1,343.43</u>	<u>1,391.79</u>
(B)	<u>-</u>	<u>-</u>	<u>1,343.43</u>	<u>1,391.79</u>
Total (A+B)	<u>110.39</u>	<u>64.28</u>	<u>1,343.43</u>	<u>1,391.79</u>



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(Currency: Indian rupees in Lakhs)

	31 March 2017	31 March 2016
16 Inventories (valued at lower of cost and net realisable value)		
Raw materials (including in transit Rs.1.70 lakhs (31 March 2016 Rs.557.82 lakhs))	3,907.74	4,437.58
Work-in-progress	4,246.35	3,417.20
Finished goods	2,301.26	2,094.18
Stock-in-trade	2,254.71	2,463.33
Packing materials (including in transit Rs.54.40 lakhs (31 March 2016 Rs.22.29 lakhs))	1,056.53	1,064.93
Stores and spares	292.47	279.36
	<u>14,059.06</u>	<u>13,756.58</u>
17 Trade receivables		
(Unsecured)		
Outstanding for a period exceeding six month from the date they are due for payment :		
Considered good	1,519.61	1,450.92
Considered doubtful	-	600.10
	<u>1,519.61</u>	<u>2,051.02</u>
Provision for doubtful receivables	-	(600.10)
(A)	<u>1,519.61</u>	<u>1,450.92</u>
Other receivables		
Considered good	10,420.02	8,410.15
Total (A+B)	<u>11,939.63</u>	<u>9,861.07</u>
18 Cash and bank balances		
Cash and cash equivalents		
Cash on hand	11.30	12.18
Balance with banks:		
In current accounts	871.66	787.65
(A)	<u>882.96</u>	<u>799.83</u>
Other bank balances:		
Margin money deposit	398.87	711.89
Amount disclosed under other non-current assets (Refer Note :15)	(110.39)	(64.28)
(B)	<u>288.48</u>	<u>647.61</u>
Total (A+B)	<u>1,171.44</u>	<u>1,447.44</u>
Details of bank balances / deposits		
Bank deposits / balances available on demand / deposits with original maturity of 3 months or less included under 'Cash and cash equivalents'	-	-
Bank deposits / balances due to mature within 12 months of the reporting date included under 'Other bank balances'	288.48	647.61
Bank deposits / balances due to mature after 12 months of the reporting date included under 'Other non-current assets'	110.39	64.28
	<u>398.87</u>	<u>711.89</u>



BHARAT SERUMS AND VACCINES LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2017

(Currency: Indian rupees in Lakhs)

	31 March 2017	31 March 2016
19 Revenue from operations		
Revenue from operations		
Sale of products		
Finished goods	59,790.69	50,929.63
Traded goods	7,055.95	8,563.14
Sale of services	326.56	226.36
Other operating revenue		
Export entitlements	411.97	300.00
Conversion charges received	-	7.75
Others	60.98	64.55
Revenue from operations (gross)	<u>67,646.15</u>	<u>60,091.43</u>
Less: Excise duty	854.48	286.35
Revenue from operations (net)	<u><u>66,791.67</u></u>	<u><u>59,805.08</u></u>
20 Other income		
Interest income on		
Bank deposits	40.21	53.76
Others	111.20	59.19
Exchange gain on foreign currency fluctuations (net)	338.32	287.21
Profit on sale of fixed assets	141.37	214.39
Provision for doubtful advances written back	104.95	4.07
Other non-operating income	765.79	323.61
	<u>1,501.84</u>	<u>942.23</u>
21 Cost of materials consumed	<u>19,637.37</u>	<u>14,540.66</u>
22 Purchases of stock-in-trade	<u>5,779.15</u>	<u>7,276.93</u>

23 Changes in inventories of finished goods, work-in-progress and stock-in-trade

Inventories at the end of the year	31 March 2017	31 March 2016	(Increase)/decrease
Finished goods	2,301.26	2,094.18	(207.08)
Work in progress	4,246.35	3,417.20	(829.15)
Stock-in-trade	2,254.71	2,463.33	208.62
Effect of foreign exchange translation reserve	-	-	(60.57)
	<u>8,802.32</u>	<u>7,974.70</u>	<u>(888.18)</u>

Inventories at the end of the year	31 March 2016	31 March 2015	(Increase)/decrease
Finished goods	2,094.18	1,411.95	(682.23)
Work in progress	3,417.20	3,170.22	(246.98)
Stock-in-trade	2,463.33	1,227.08	(1,236.25)
Effect of foreign exchange translation reserve	-	-	93.40
	<u>7,974.70</u>	<u>5,809.24</u>	<u>(2,072.06)</u>



BHARAT SERUMS AND VACCINES LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2017

(Currency: Indian rupees in Lakhs)

	31 March 2017	31 March 2016
24 Employee benefits expense		
Salaries, wages and bonus	10,747.84	9,340.36
Contribution to provident and other funds (Refer Note : 31)	643.97	561.98
Gratuity expense (Refer Note : 31)	239.81	194.35
Staff welfare expenses	426.09	343.04
	<u>12,057.71</u>	<u>10,439.73</u>
25 Other expenses		
Accessories and consumables	1,002.21	1,019.33
Animal feeding and maintenance	260.58	239.85
Contract labour expenses	187.95	337.82
Power and fuel	1,119.00	968.53
Freight and forwarding charges	972.49	1,106.21
Rent (Refer Note : 33)	515.51	484.52
Rates and taxes	341.94	288.14
Insurance	231.42	239.92
Repairs and maintenance:		
- Plant and machinery	253.47	290.81
- Buildings	233.72	289.49
- Others	67.05	93.17
Advertising and sales promotion	2,041.07	2,217.21
Commission on sales	2,809.16	2,690.46
Travelling and conveyance	2,724.28	2,591.75
Legal and professional fees	1,427.48	1,114.00
Printing and stationary	182.11	174.45
Payment to auditors (Refer Note : 26)	58.63	48.13
Analytical and inspection charges	1,326.12	907.41
Exchange loss on foreign currency fluctuations (net)	42.45	3.16
Loss on sale of fixed assets (net)	0.99	-
Provision for doubtful debts	-	68.23
Provision for doubtful advance and deposits	50.00	-
Bad debts	1,105.08	125.90
Less: Provision for doubtful debts reversed	<u>600.10</u>	<u>-</u>
Research and development expenses (Refer Note : 37)	1,493.02	1,938.78
Fixed assets / Capital work in progress written off	16.56	188.94
Sundry balances written off	200.55	101.61
Distribution expenses	768.90	832.63
Bank charges	138.53	131.34
Miscellaneous expenses	1,190.73	946.02
	<u>20,160.90</u>	<u>19,437.81</u>



BHARAT SERUMS AND VACCINES LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2017

(Currency: Indian rupees in Lakhs)

	31 March 2017	31 March 2016
26 Payment to auditors		
As auditor:		
Audit fees	35.00	37.00
Tax audit fees	3.00	3.00
In other capacity:		
Taxation matters	15.07	-
Certification fees	5.56	8.13
	<u>58.63</u>	<u>48.13</u>
27 Depreciation and amortisation		
Depreciation on tangible assets	2,143.16	2,113.74
Amortisation on intangible assets	1,018.38	901.41
	<u>3,161.54</u>	<u>3,015.15</u>
28 Finance costs		
Interest expense	1,846.90	1,861.46
Bank charges	131.42	119.13
	<u>1,978.32</u>	<u>1,980.59</u>
29 Exceptional items		
VAT / CST paid to department (Refer note below)	1,228.79	-
	<u>1,228.79</u>	<u>-</u>
<p>Exceptional items represents Central Sales tax liability for previous years and interest thereon in respect of inspection conducted by Local Tax authorities during the year, wherein certain transactions were identified which were to be considered as Inter State sales instead of local sales in respective states.</p>		
30 Earnings per share (EPS)		
Profit after tax (A)	4,293.05	4,951.48
Less: Dividends on convertible preference shares and tax thereon	-	49.28
Net profit for calculation of basic EPS (B)	<u>4,293.05</u>	<u>4,902.20</u>
Weighted average number of equity shares for calculating		
Basic EPS (C)	174.26	175.50
Convertible preference shares	31.46	29.76
Weighted average number of equity shares in calculating diluted EPS (D)	<u>205.72</u>	<u>205.26</u>
Basic earnings per share of face value of Rs.5 each (B)/(C) (Rs.)	24.64	27.93
Diluted earnings per share of face value of Rs.5 each (A)/(D) (Rs.)	20.87	24.12



BHARAT SERUMS AND VACCINES LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2017

(Currency: Indian rupees in Lakhs)

31 Notes

A) Gratuity and other post-employment benefit plans

The Holding Company operates a defined gratuity plan for its employees. Under the gratuity plan, every employee who has completed five years or more of service gets a gratuity on death or resignation or retirement at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plans.

Statement of profit and loss

Net employee benefit expenses recognised in the employee cost

Defined benefit plan	Gratuity	
	31 March 2017 (Rs. in lakhs)	31 March 2016 (Rs. in lakhs)
Current service cost	139.98	114.55
Interest cost on benefit obligation	64.10	47.81
Expected return on plan assets	(42.34)	(45.70)
Net actuarial(gain) / loss recognized in the year	78.07	77.69
Net benefit expense	239.81	194.35
Actual return on plan assets	76.36	32.08
Balance sheet		
Benefit assets / liabilities		
Present value of defined benefit obligation	(1,117.37)	(801.19)
Fair value of plan assets	758.31	581.94
Plan asset / (liability)	(359.06)	(219.25)
Changes in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	801.19	620.38
Current service cost	139.98	114.55
Interest cost	64.10	47.81
Benefits paid	-	(45.61)
Actuarial (gains) / losses on obligation	112.10	64.06
Closing defined benefit obligation	1,117.37	801.19
Changes in the fair value of plan assets are as follows:		
Opening fair value of plan assets	581.94	525.48
Expected return	42.34	45.70
Contributions by employer	100.00	70.00
Benefits paid	-	(45.61)
Actuarial gains / (losses)	34.03	(13.63)
Closing fair value of plan assets	758.31	581.94

The Company expects to contribute Rs.100 lakhs to gratuity in the next year (31 March 2016: 70 lakhs)

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Investments with insurer	100%	100%
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BHARAT SERUMS AND VACCINES LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2017

(Currency: Indian rupees in Lakhs)

The principal assumptions used in determining gratuity for the Company's plans are shown below:

	Years of service	31 March 2017	31 March 2016
Discount rate		6.67%	8.00%
Expected rate of return on assets		6.70%	8.50%
Employee turnover (Years of service)	0 to 5 yrs	20.00%	20.00%
	5 to 10 yrs	15.00%	15.00%
	10 to 20 yrs	10.00%	10.00%
	20 to 42 yrs	5.00%	5.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Amounts for the current and previous five periods are as follows:

(Rs. in lakhs)

	31 March 2017	31 March 2016	31 March 2015	31 March 2014	31 March 2013
Gratuity					
Defined benefit obligation	1,117.37	801.19	620.38	450.70	390.29
Plan assets	758.31	581.94	525.48	384.83	327.92
Surplus / (deficit)	(359.06)	(219.25)	(94.90)	(65.86)	(62.37)
Experience adjustments on plan liabilities	112.10	64.06	(20.06)	0.30	(49.36)
Experience adjustments on plan assets	34.03	(13.63)	34.97	(7.09)	8.56

The management has relied on the overall actuarial valuation conducted by the actuary.

B) Leave encashment

Amount of Rs.417.43 lakhs (31 March 2016 Rs.357.43 lakhs) is recognised as an expense and included in "Employee benefits expense" in the Consolidated statement of profit and loss

Actuarial assumptions	31 March 2017	31 March 2016
Discount rate	6.67%	8.00%
Salary escalation rate (p.a.)	9.00%	7.50%

C) Contribution to provident and other funds

Amount of Rs.499.63 lakhs (31 March 2016 Rs.561.98 lakhs) is recognised as an expense and included in "Employee benefits expense" in the Consolidated statement of profit and loss.

32 Segment reporting:

The Company has one business segment "Pharmaceuticals" as its primary segment. Secondary segment reporting is performed on the basis of location of customers. All the business assets of the Company are situated in India except assets which are directly identifiable.

Year ended 31 March 2017	India	Outside India	Total
Revenue			
Sales to external customers	51,250.06	15,541.61	66,791.67
Carrying amount of segment assets	57,495.09	6,396.69	63,891.78
Capital expenditure incurred during the year	3,722.57	15.09	3,737.66

Year ended 31 March 2016	India	Outside India	Total
Revenue			
Sales to external customers	41,781.71	18,023.36	59,805.07
Carrying amount of segment assets	50,164.80	10,574.51	60,739.31
Capital expenditure incurred during the year	2,469.44	164.92	2,634.36



BHARAT SERUMS AND VACCINES LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2017

(Currency: Indian rupees in Lakhs)

33 Leases

The Holding Company has entered into finance and operating lease agreements. As required under the Accounting Standard 19 on 'Leases', the future minimum lease payments on account of each type of lease are as follows:

A. Finance Leases / Hire Purchase (Computer and peripherals)

The assets acquired on finance lease comprises of equipments, leasehold improvements, office equipments, electrical installation and furniture. The minimum lease rentals, the present value of minimum lease payments and finance charges as at year end in respect of assets acquired under finance lease / hire purchase are as follows:

Particulars	<i>Rs. in lakhs</i>					
	Future lease payments		Present value of future minimum lease payments		Finance charge	
	2017	2016	2017	2016	2017	2016
As at 31 March						
Not later than one year	224.98	538.06	145.77	417.73	79.21	120.33
Later than one year and not later than five years	680.16	923.99	563.84	728.45	116.32	195.54
Later than five years		-		-		-
TOTAL	905.14	1,462.05	709.61	1,146.18	195.53	315.87

The salient features of a finance lease / hire purchase agreement are:

- Option to purchase the assets will be at the end of the lease term / hire purchase on payment of a nominal option price.
- In the event of default, the lessee / hirer is responsible for payment of all costs of the owner including the financing cost and other associated costs. Further a right of repossession is available to the lessor / owner.
- Under some of the agreements, refundable interest free deposits have been given.
- The Lessee / Hirer is responsible for maintaining the assets as well as insuring the same.

The Company was in compliance with all its corporate and financial covenants as at 31 March 2017.

B. Operating leases

The Holding Company has taken various residential / commercial premises and other equipments under cancellable and non-cancellable operating leases.

The future minimum lease payment in respect of non-cancellable period as at 31 March 2017 are as follows :

Particulars	<i>Rs. in lakhs</i>	
	As at 31 March	
	2017	2016
Not later than one year	1,363.94	534.72
Later than one year and not later than five years	901.03	812.96
TOTAL	2,264.97	1,347.68

The salient features of an operating lease agreement are:

- There are no restrictions such as those concerning dividends, additional debt and further leasing, imposed by the lease agreements entered into by the Company.
- Some of the agreements provide for escalation in rent during the lease term.
- Some of the agreements provide for early termination by either party with notice period upto 2 months.
- Under some of the agreements, refundable interest free deposits have been given.

During the year an amount of Rs.515.51 lakhs (31 March 2016 : Rs.484.52 lakhs) was recognised as an expense in the Consolidated Statement of Profit and Loss in respect of operating leases.



BHARAT SERUMS AND VACCINES LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2017

34 Related party disclosures:

Related parties with whom transactions have taken place during the year

(a) Key management personnel	Mr. Bharat V Daftary (Chairman and Managing Director) Dr. Gautam V Daftary (Vice Chairman and Managing Director) Mr. Siddharth B Daftary (Son of Mr. Bharat V Daftary) Mr. Girish Bakre (Executive Director) (upto 31 August 2016) Mr. Milind Vaidya (Executive Director) (upto 20 October 2016) Mr. K.V. Bala (from 22 April 2016 to 31 March 2017)
(b) Relative of Key Management Personnel	Ms. Anjali Bakre (Wife of Mr. Girish Bakre) (upto 31 August 2016) Mr. Akshay G Daftary (Son of Dr. Gautam V Daftary)
(c) Entities over which Key Management Personnel have significant influence	SIRO Clinpharm Private Limited Advy Chemicals Private Limited Aksigen Hospital Care Advy Co. Japan Limited



BHARAT SERUMS AND VACCINES LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2017

(Currency: Indian rupees in Lakhs)

34 Related party disclosures: (Continued)

Related party transactions

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

(Rs. in Lakhs)

PARTICULARS	Others		Key Management Personnel	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016
1. Purchase of services				
a. Advy Chemicals Private Limited	47.92	61.28	-	-
b. SIRO Clinpharm Private Limited	53.78	45.19	-	-
2. Reimbursement of expenses				
a. Advy Chemical Private Limited	-	1.21	-	-
3. Recovery of expenses				
a. Advy Chemical Private Limited	10.81	4.90	-	-
4. Purchase of licences				
a. SIRO Clinpharm Private Limited	403.73	897.75	-	-
5. Remuneration				
a. Bharat V Daftary	-	-	167.99	133.92
b. Gautam V Daftary	-	-	149.99	133.92
c. Siddharth B Daftary	-	-	19.49	17.40
d. Milind Vaidya	-	-	59.88	106.69
e. Girish Bakre	-	-	46.36	95.44
f. K V Bala	-	-	137.62	-
6. Advances given				
a. SIRO Clinpharm Private Limited	-	59.84	-	-
7. Purchase of goods				
a. Advy Chemicals Private Limited	181.75	44.23	-	-
b. Aksigen Hospital Care	-	1.30	-	-
c. Advy Chemicals Private Limited	-	1.85	-	-
8. Sale of goods				
a. Advy Chemicals Private Limited	0.64	0.10	-	-
b. Aksigen Hospital care	129.91	-	-	-
9. Sale of services				
a. Advy Chemicals Private Limited	166.50	108.23	-	-
10. Professional fees expenses				
a. Advy Chemicals Private Limited	21.84	5.85	-	-
11. Discount given				
a. Aksigen Hospital Care	2.60	-	-	-
12. Write off of advances given				
b. Advy Co. Japan Limited	-	3.67	-	-
13. Trade receivables				
a. Advy Chemicals Private Limited	1.49	0.06	-	-
14. Trade payables				
a. Advy Chemicals Private Limited	5.70	7.40	-	-
b. Kasiak Research Private Limited	-	0.52	-	-
15. Advance receivable				
a. SIRO Clinpharm Private Limited	31.65	52.51	-	-
16. Remuneration paid				
a. Anjali Girish Bakre	12.79	30.80	-	-
b. Akshay G Daftary	12.68	11.40	-	-

Note :

- The remuneration to key management personnel does not include provision for gratuity and leave benefits, as these are determined on actuarial basis for the Company as a whole.
- Mr. Girish Bakre who resigned as Executive Director on 31 August 2016, subsequently on 26 April 2017 rejoined as Executive Director.



BHARAT SERUMS AND VACCINES LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2017

(Currency: Indian rupees in Lakhs)

35 Capital commitments

Estimated amount of contracts remaining to be executed on capital account, net of advances as at 31 March 2017 aggregate Rs.857.81 lakhs (31 March 2016: Rs.781.85 lakhs).

36 Contingent liabilities

	As at 31 March 2017	As at 31 March 2016
<i>Claims against the company not acknowledged as debt</i>		
Service tax	397.24	397.24
Income tax	1,319.83	-
<i>Guarantees outstanding</i>		
- Corporate guarantee given to bank on behalf of a subsidiary	3,890.00	3,890.00
- Stand by letter of credit given on behalf of subsidiary	440.01	465.77
Total	6,047.08	4,753.01

37 Research and development

Research expenses incurred during the year and debited to Consolidated statement of profit and loss aggregating Rs.2,305.41 lakhs (31 March 2016 : Rs.2,408.26 lakhs). The details of research and development expenditure are as under:

Particulars	Note	As at	As at
		March 31 2017	March 31 2016
Revenue expenditure			
a) Salary, wages and other benefits	24	511.33	469.48
b) Research and development expenditure	25		
Chemicals and accessories		506.90	710.26
Clinical trials		459.17	683.30
Repairs and maintenance		87.01	141.77
Patent expenses		81.38	72.43
Other expenses		358.56	331.02
		<u>1,493.02</u>	<u>1,938.78</u>
Total revenue expenditure		2,004.35	2,408.26
Capital expenditure		64.28	293.77
Total research and development expenditure		2,068.63	2,702.03



BHARAT SERUMS AND VACCINES LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2017

(Currency: Indian rupees in Lakhs)

38 Derivative instruments and unhedged foreign currency exposure

- a) The Company uses foreign currency forward contracts to hedge its risk associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecast transactions.

Forward exchange contracts (being derivative instruments), which are not intended for trading or speculative purposes but for hedge purposes to establish the amount of reporting currency required or available at the settlement date of certain receivables and payables.

The forward exchange contracts entered into by the Company and outstanding are as follows:

Currency	No. of contracts	Type	US \$	INR equivalent (In Lakhs)
31 March 2017	8	Buy	59.29	3,844.88
31 March 2016	2	Buy	20.63	1,366.92

- b) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

Particulars	31 March 2017		31 March 2016	
	Amount in foreign currency (Lakhs)	Amount in local currency (Lakhs)	Amount in foreign currency (Lakhs)	Amount in local currency (Lakhs)
Trade payables (Net of advances)				
EURO	5.12	354.71	0.72	54.44
USD	20.61	1,336.58	13.05	864.80
Advances to suppliers (Net of payables)				
GBP	1.29	104.45	1.21	115.56
EURO	1.92	133.03	1.99	150.07
USD	7.34	475.94	5.97	395.83
CAD	-	-	0.00	0.06
CHF	0.20	12.64	0.15	10.45
SGD	0.03	1.39	0.45	22.11
Trade receivables				
USD	57.73	3,743.61	53.32	3,735.03
EURO	6.85	474.70	5.20	391.68
Advance from customers				
USD	4.31	279.50	1.96	130.13
EURO	0.49	33.95	0.08	5.65
Borrowings (USD)	31.09	2,016.16	47.33	3,135.99
Borrowings (EURO)	13.71	949.67	-	-



BHARAT SERUMS AND VACCINES LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2017

(Currency: Indian rupees in Lakhs)

39 Corporate Social Responsibility (CSR)

As per Section 135 of the Act, a CSR committee has been formed by the Company. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art, culture, healthcare, destitute care and rehabilitation and rural development projects.

- The gross amount required to be spent by the Company as at 31 March 2017 was Rs.97.25 lakhs. (31 March 2016: Rs.83.73 lakhs)
- Particulars of amount spent during the year on:

	In cash	Yet to be paid	Total
1) Construction / Acquisition of assets	-	-	-
2) On purposes other than (i) above	45.43	-	45.43
Total	45.43	-	45.43

40 Disclosure of additional information pertaining to Parent Company and subsidiaries

Sr No	Name of entity	Net Assets i.e. total assets minus total liabilities		Share in profit or Loss	
		As % of consolidated net assets	Amount (Rs. Lakhs)	As % of consolidated profit / loss	Amount (Rs. Lakhs)
1	Parent	100.99%	33,233.92	93.68%	4,021.61
2	Subsidiaries foreign				
	a) BSV Bioscience GmbH	-0.87%	(285.69)	5.98%	256.64
	b) BSV Bioscience Inc.	-0.12%	(38.91)	0.35%	14.81
	c) BSV Bioscience Philippines Inc	0.00%	-	0.00%	-
	Total	100.00%	32,909.32	100.00%	4,293.06

41 Disclosure on specified bank notes (SBNs)

During the year, the Company had specified bank notes (SBNs) and other denomination notes as defined in the MCA notification G.S.R. 308 (E) dated 31st March 2017, on the details of Specified Bank Notes (SBNs) held and transacted during the 8 November 2016 to 30 December 2016, the denomination wise SBNs and other notes as per the notification is given below:

(Amount in Rs)

	SBNs*	Other denominations notes	Total
Closing cash in hand as on 8th November 2016	2,519,000	1,191,428	3,710,428
(+) Permitted receipts	-	967,000	967,000
(-) Permitted payments	-	589,236	589,236
(-) Amount deposited in banks	2,519,000	429	2,519,429
Closing cash in hand as on 30th December 2016	-	1,568,763	1,568,763

* For the purpose of this clause 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O.3407(E), dated the 8th November 2016.



BHARAT SERUMS AND VACCINES LIMITED

Notes to the consolidated financial statements for the year ended 31 March 2017

42 Other matters

Information with regard to other matters, as required by Schedule III of the Act is either nil or not applicable to the Company for the year.

- 43 Previous years figures for the previous year have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

For and on behalf of the board of directors of

Bharat Serums and Vaccines Limited

CIN : U24230MH1971PLC015134

Sd/-

Balajirao Pothana

Partner

Membership No: 122632

Sd/-

Bharat V Daftary

Chairman and Managing Director

DIN : 00011518

Sd/-

Gautam V Daftary

Managing Director

DIN : 00009326

Sd/-

Anil M Damle

Chief Financial Officer

Sd/-

Charudatta S Samant

Company Secretary

Membership No. A22337

Place: Mumbai

Date : 11 September 2017

Place: Mumbai

Date : 11 September 2017

