

35th Annual Report 2019-20

BRAWN BIOTECH LIMITED



Brawn Biotech Ltd.
(Formerly known as BRAWN Pharmaceuticals Ltd.)

Dear Shareholders,

I am delighted to present you Brawn's financial year 2020 Annual Report, it is my pleasure to greet all of you at 35th Annual General Meeting.

Brawn's strong entrepreneurial spirit is powering growth and consistently creating value as a company deeply rooted in its purpose to offer life-saving medical solutions and creating enduring stakeholder value. We envision becoming the most admired pharmaceutical company in India for clean and ethical business and marketing practices. We believe in maintaining the highest level of integrity, transparency and ethics.

We are building a more agile and innovation-driven enterprise, with an aggressive growth approach, which can respond faster to changing consumer demand and market dynamics. At the same time, we remain committed to our core principles and values to make specialty medicines accessible and affordable to all.

Brawn is spurring innovation, quality, operational excellence and competent leadership. The company is building on its firm foundation equipped with a diversified portfolio and driving growth in key markets.

LOOKING AHEAD

Facilitating better access to quality, affordable healthcare globally is what drives us to excel. I am extremely proud of our people for being the strength that powers Brawn and congratulate them heartily for their achievements.

I would like to express my heartfelt appreciation to our wider stakeholder community for their support. I am confident that Brawn will scale newer heights of performance and excellence this year.

Thank You,
Yours Sincerely,

Regards,
Brij Raj Gupta
Chairman

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Brij Raj Gupta	(Chairman)
Mrs. Brij Bala Gupta	(Director)
Mrs. Kanta Takkar	(Independent Director)
Mr. Subhash Chander	(Independent Director)

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Priyanka Sharma

STATUTORY AUDITOR

M/s Rajiv Udai & Associates
(Chartered Accountants)

REGISTERED OFFICE

4B, Asaf Ali Road, IIInd Floor,
Delhi Stock Exchange Building,
New Delhi – 110002

REGISTRAR AND TRANSFER AGENT

M/s RCMC Share Registry Private Ltd.,
B-25/1, First Floor,
Okhla Industrial Area, Phase- II
New Delhi- 110020

CHIEF FINANCIAL OFFICER

Ms. Rati Garg

BANKERS

Punjab National Bank

CORPORATE OFFICE

Plot No. 30, Sector 33,
Infocity- II, Gurgaon,
Haryana- 122001

LISTED AT

BSE LIMITED
(Scrip Code: 530207)

COMMITTEES OF BOARD OF DIRECTORS

AUDIT COMMITTEE

Mr. Subhash Chander (Independent Director)	Chairman
Mrs. Kanta Takkar (Independent Director)	Member
Mr. Brij Raj Gupta (Director)	Member

NOMINATION AND REMUNERATION COMMITTEE

Mr. Subhash Chander (Independent Director)	Chairman
Mrs. Kanta Takkar (Independent Director)	Member
Mr. Brij Raj Gupta (Director)	Member

STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. Subhash Chander (Independent Director)	Chairman
Mrs. Kanta Takkar (Independent Director)	Member
Mr. Brij Raj Gupta (Director)	Member

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Schedule of 35th Annual General Meeting

Date	25 th September, 2020
DAY	Friday
TIME	11.00 A.M
MODE	Through video conferencing or other audio visual mode
BOOK CLOSURE DATE	19 th September, 2020 to 25 th September, 2020 (both days inclusive)

Brawn Biotech Limited

CIN: L74899DL1985PLC022468

Regd. Office: 4B, Asaf Ali Road, IInd Floor,
Delhi Stock Exchange Building,
New Delhi – 110002

Ph. No. 0124-4880196, Fax: 011-23275208

Email: solution@brawnbiotech.com, website: www.brawnbiotech.com

NOTICE OF THIRTY FIFTH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 35th ANNUAL GENERAL MEETING of the members of “BRAWN BIOTECH LIMITED” will be held on Friday, 25th September, 2020 at 11:00 A.M. through video conferencing or other audio visual mode to transact the following business.

AS ORDINARY BUSINESS

1. Adoption of Financial Statements

To consider and adopt the **audited standalone financial statements** of the company for the financial year ended 31st March, 2020 together with the Board's Report and the Auditors' Report thereon.

2. Appointment of Mr. Brij Raj Gupta (DIN: 00974969), who retires by rotation and being eligible, offers himself for re-appointment:

To consider, and if thought fit, to pass, with or without modification(s), following resolution as an Ordinary Resolution:

“RESOLVED THAT Mr. Brij Raj Gupta (DIN [00974969](#)), Director of the Company, who retires by rotation and being eligible has offered for re-appointment, be and is hereby appointed as Director of the Company, liable to retire by rotation.”

**By order of the Board
For BRAWN BIOTECH LIMITED**

**Sd/-
Priyanka Sharma
(Company Secretary)**

Dated: 21st August, 2020

Place: New Delhi

NOTES:

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is annexed.
3. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed hereto.
4. Since the AGM will be held through VC/ OAVM, the route map of the venue of the Meeting is not annexed hereto.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
6. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
7. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
8. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
9. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.brawnbiotech.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
10. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

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

- (i) The voting period begins on 22.09.2020 and at 09:00 a.m. and ends on 24.09.2020 and at 05:00 p.m.. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 18.09.2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on "Shareholders" module.
- (v) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

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

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

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

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

- (xix) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

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

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company/RTA email id.

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

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 15 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 15 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

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

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
 2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
 3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
 4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- (xx) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.

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

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

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

PROFILE OF DIRECTORS(Seeking reappointment)

Mr. Brij Raj Gupta (DIN: 00974969)

Mr. Brij Raj Gupta aged 68 years is a Director and Promoter of the Company since Incorporation. He looks and handles over the entire company and its working of the Company. He has over 33 years of experience and well versed with all the segments of the Company.

DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AS REQUIRED UNDER (In pursuance of Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Name of Director	Mr. Brij Raj Gupta
Age	68 years
Date of Birth	15.04.1952
DIN	00974969
Terms and conditions of appointment/ Reappointment	Director, Liable to retire by rotation
Date of Appointment	13.08.2019
Relationship with other Directors Inter se	Not Applicable
No. of Equity Shares held in the Company as on 31.03.2020	5,00,174
List of other Companies in which Directorships are held	BRAWN LABORATORIES LIMITED OVERSEAS LABORATORIES PRIVATE LIMITED BRAWN COSMETICS AND HERBALS PRIVATE LIMITED
Membership of Committees of the Board (only Listed Entities)in which Chairmanship, membership is held (includes only Audit Committee and Stakeholder Relationship Committee)	NIL

Attendance in the meetings in the last financial year	Disclosed in the Corporate Governance Report
Past Remuneration	NIL
Remuneration sought to be paid	NIL

BOARD'S REPORT

Dear Shareholders,

The Directors have pleasure in presenting the 35th Annual Report of your Company on the business & operations and Audited Statement of Accounts for the year ended 31st March, 2020 along with the Auditor's Report thereon.

FINANCIAL RESULTS

The Standalone Financial Results of the Company for the year ended 31st March 2020 are as follows:

(Rs. in lakhs)

PARTICULARS	Year Ended 31.03.2020	Year Ended 31.03.2019
Revenue from Operations	4978.70	6591.68
Profit before Depreciation & Interest	87.8	186.44
Interest	2.36	2.72
Depreciation	3.47	3.19
Profit/(Loss) before Tax	81.97	180.53
Provision for Income Tax	21.84	39.99
Creation of Deferred Tax Assets/(Deferred Tax Liabilities written back)	(0.29)	1.71
Net Profit/(Loss) from continuing operations	60.42	138.81
Extraordinary and exceptional items	-	-
Profit/(Loss) for the year	60.42	138.81
Profit/Loss brought forward	353.81	215
Adjustment of Dep. In acc. with sch. II of Companies Act, 2013	-	-
Amount available for Appropriation	414.23	353.81
Dividend on Equity Shares	0	0
Tax on Distributed Profits on Equity	-	-
Transfer to General Reserve	-	-
Balance carried to Balance Sheet	414.23	353.81

IMPACT OF THE COVID-19

In the last month of FY 2020, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activity. For the Company, the focus immediately shifted to ensuring the health and well-being of all employees, and on minimizing disruption to services for all our customers. The switch to work from home for employees was carried out seamlessly to work remotely and securely.

With its positive outlook, innovative business model and work commitment even in these uncertain time due to the pandemic, the Company is anticipating to navigate the challenges ahead and gain better momentum in the near future.

REVIEW OF OPERATIONS/ KEY HIGHLIGHTS

During the period under consideration the Company's revenue from operations were Rs. 4978.70 Lakhs and it earned profit before tax of Rs. 81.97 Lakhs. It is apparent from the financials shown above that the profit before tax of the Company has declined approximately 54% in comparison with the previous year. The Company is dealing in Critical Care range of Products alongwith other Pharmaceutical products and exporting the pharmaceutical goods in the overseas. In the coming year, management focus shall continue to be on expanding specialty and improving internal efficiencies.

STATEMENT OF AFFAIRS

The company is aggressively making efforts in enhancing the export sale, as a result of which, the sale and profits of the company have been constant in the previous Financial year. In the current year, also the company is expecting exceptional growth in the turnover and profits of the company.

DIVIDEND & RESERVES

In order to meet the working capital requirements of the Company, no Dividend has been recommended. During the period under review, no amount was transferred to General Reserve.

DEPOSITS

Your Company has no unclaimed / unpaid matured deposit or interest due thereon. Your Company has not accepted any deposits covered under 'Chapter V - Acceptance of Deposits by Companies' under the Companies Act, 2013 during the financial year ended March 31, 2020.

CAPITAL STRUCTURE

The Authorized Share Capital of the Company as on March 31, 2020 stands at Rs. 4,50,00,000/- divided into 45,00,000 equity shares of Rs. 10/- each. The Paid up Equity Share Capital as at March 31, 2020 stood at Rs. 3,00,03,000/- divided into 30,00,300 equity shares of Rs. 10/- each and the Subscribed and Paid-up Share Capital is Rs. 3,00,03,000/- divided into 30,00,300 equity shares of Rs. 10/- each fully paid-up.

During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity. As on March 31, 2020, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

- Directors and KMP appointed or ceased during the year

The composition of the Board is in conformity with Regulation 17 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and the relevant provisions of the Companies Act, 2013. All the Directors possess the requisite qualifications and experience in general corporate Management, finance, banking and other allied fields, which enable them to contribute effectively to the Company in their capacity as Directors of the Company.

Name	Designation	Date of	Date of Cessation
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BRAWN BIOTECH LIMITED

		Appointment	
Mr. Brij Raj Gupta	Director	13.08.2019	-
Mrs. Brij Bala Gupta	Director	24.11.2004	-
Mr. Subhash Chander	Independent Director	10.11.2017	-
Mrs. Kanta Takkar	Independent Director	10.11.2017	-
Mr. Arun Mudgal	Independent Director	23.09.2017	10.09.2019
Mrs. Rati Garg	Chief Financial Officer (CFO)	13.08.2016	-
Ms. Priyanka Sharma	Company Secretary	01.01.2019	-

- Details of Director retiring by rotation in the ensuing Annual General Meeting

In accordance with the provisions of the Companies Act, 2013 and pursuant to the company's Articles of Association, the Independent Directors of the Company are not liable to retire by rotation.

In view of the above, and pursuant to Section 152(6), the remaining directors, being Executive Directors, are now made liable to retire by rotation at every Annual General Meeting. Thus, Mr. Brij Raj Gupta, Director, appointed on 13th August 2019 being longest in office, would retire at this Annual General Meeting.

DECLARATION BY INDEPENDENT DIRECTORS

All the Independent Directors have submitted their disclosure to the Board that they fulfill all the requirements as to qualify for their appointment as an Independent Director under the provisions of Section 149 read with Schedule IV of the Companies Act, 2013. The Board confirms that the independent directors meet the criteria as laid down under the Companies Act, 2013.

SEPARATE MEETING OF INDEPENDENT DIRECTORS

In accordance with the provisions of Schedule IV to the Companies Act, 2013 and Regulation 25(3) of SEBI (LODR), 2015, a separate meeting of the Independent Directors of the Company was held on 11th February 2020 to discuss the agenda items as prescribed under the applicable laws. The meeting was attended by all Independent Directors of the Company.

CHANGE IN NATURE OF BUSINESS

The Company has not undergone any changes in the nature of the business during the financial year.

AUDITORS

- **STATUTORY AUDITORS**

The shareholders of the Company at AGM held on September 1st 2016 had appointed M/s. Rajiv Udai & Associates, Chartered Accountants, (Firm Registration No. **18764N**), as the Statutory Auditors of the Company for an initial term of 5 years.

Explanation to Auditor's Report

The Report given by M/s. Rajiv Udai & Associates, Statutory Auditors on the financial statement of the Company for the year ended March 2020 is part of the Annual Report. There are no qualification, reservation or adverse remark or disclaimer in their Report. During the year under review, the Auditors had not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134 (3)(ca) of the Act.

- **SECRETARIAL AUDITORS**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Board had appointed M/s Amit Bansal and associates (Company Secretaries) for financial year 2019-20. A copy of Secretarial Audit Report from Mr. Amit Bansal for financial year ended March 31, 2020 in the prescribed Form No. MR-3 is annexed to this report as **Annexure A**.

Explanation to Secretarial Auditor's Report

The Secretarial Auditor have submitted their report, confirming compliance by the Company of all the provisions of applicable laws and does not contain any observation requiring explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

- **COST AUDIT**

Companies (cost records and audit) (Amendment) Rules, 2015 are not applicable on the Company for the financial year 2019-20.

- **INTERNAL AUDITORS**

M/s Jain Mittal & Co., Chartered Accountants were appointed as Internal Auditor of the Company for the financial year 2019-20.

INTERNAL FINANCIAL CONTROLS

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

The Company's Internal Control Systems are commensurate with the nature of its business and the size and complexity of its operations. It comprises of audit and compliance by internal audit checks by M/s **Jain Mittal & Co**, Internal Auditors of the Company.

The Internal Auditors independently evaluate the adequacy of internal controls and concurrently audit the financial transactions and review various business processes. Independence of the Internal Auditors and compliance is ensured by the direct report of Internal Auditors to the Audit Committee of the Board.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34(3) read with Schedule V(B) of the Securities of Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, is presented in a separate section forming part of the Annual Report.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

Your company does not have any unlisted/listed subsidiary company or Joint Venture or any Associate Company, pursuant to the provisions of the Rule 8 of Companies (Accounts) Rules, 2014, therefore, no requirement of attachment of Form AOC-1.

LISTING FEES

The Annual Listing Fee for the year 2019-20 has been paid to those Stock Exchanges where the Company's shares are listed.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Sec. 134 (5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability hereby confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. the directors have selected accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 2019-20 and of the profit of the company for the year;
- iii. the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv. the directors have prepared the annual accounts on a going concern basis;
- v. the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi. the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CORPORATE GOVERNANCE

As per Regulation 15(2) of SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015, compliance with the Corporate Governance provisions specified in regulation 17 to 27 and clause (b) to (i) of the sub-regulation (2) of regulation 46 and Para C, D & E of Schedule V shall not apply to the company having Paid-up Equity Share Capital not exceeding Rs. Ten Crore and Net Worth not exceeding Rs. Twenty Five Crores as on the last day of the previous financial year. The Paid-up Equity Share Capital

of the company and the Net worth is less than the prescribed limit. So the Company is covered under the limit as prescribed in Regulation 15(2) of SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015, Although, the provisions of Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are not applicable on our Company but the Company has duly implemented the system of corporate governance as per the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Detail report appears in the Annexure forming part of this report.

WHISTLE BLOWER POLICY/ VIGIL MECHANISM

The Company has adopted a Whistle Blower Policy establishing vigil mechanism which is overseen by the Audit Committee for the genuine concerns expressed by the employees and the Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to the Chairman of the Audit Committee on reporting issues concerning the interests of employees and the Company. The policy as approved by the Board is uploaded on the Company's website at <http://www.brawnbiotech.com/wp-content/uploads/2019/04/Whistle-Blower-Policy.pdf>.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions or covered under Section 188 of the Companies act, 2013. Hence, the details of such contracts or arrangements with its related parties are not disclosed in Form AOC-2 as prescribed under the Companies Act, 2013 and the Rules framed thereunder.

The Policy on dealing with related party transactions and on determining materiality of related party transactions as approved by the Board may be accessed on the Company's website at the link <http://www.brawnbiotech.com/wp-content/uploads/2019/04/Policy-on-Related-Party-Transaction.pdf>

RISK MANAGEMENT

In accordance with provisions of Regulation 21 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is not required to maintain Risk Management Committee.

However, the Company has a Risk management framework in place to identify, assess, monitor, and mitigate various risks to the business. This framework seeks to categorize various risks, implement measures to minimize impact of these risks where it is deemed necessary and possible, and a process to monitor them on a regular basis. The risk management policy of the Company as approved by the Board is placed on the website at <http://www.brawnbiotech.com/wp-content/uploads/2017/01/risk-management-policy.pdf>

REMUNERATION POLICY & BOARD EVALUATION

The Companies Act, 2013 and SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 mandates that the Board shall monitor and review the Board evaluation i.e. evaluation of the performance of: (i) the Board as a whole, (ii) individual directors (including independent directors and Chairperson) and (iii) various Committees of the Board. The Performance evaluation was carried out by

the Nomination and Remuneration Committee based on the “Annual Evaluation Framework” prepared by the Committee.

The framework includes the evaluation of directors on various parameters such as:

- Board dynamics and relationships
- Information flows
- Decision-making
- Relationship with stakeholders
- Company performance and strategy
- Tracking Board and committees’ effectiveness
- Peer evaluation

In compliance with the Companies Act, 2013 and Regulation 17 (10) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the Board has carried out an evaluation of its own performance, Committees and performance of individual Directors during the period under review. The aspects covered in the evaluation included the contribution to and monitoring of corporate governance practices, participation in the long-term strategic planning and the fulfillment of Directors’ obligations and fiduciary responsibilities, including but not limited to, active participation at the Board and Committee meetings. Schedule IV of the Companies Act, 2013 states that the performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated. The evaluation involves Self-Evaluation by the Board Members and subsequent assessment by the Board of Directors. The Board of Directors expressed their satisfaction with the evaluation process.

The details of programmes for familiarization of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are put up on the website of the Company at the link: <http://www.brawnbiotech.com/wp-content/uploads/2019/04/Familiarization-Programme-for-Independent-Directors.pdf>

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, key managerial personnel and senior management of the company. This policy also lays down criteria for selection and appointment of Board Members and related matters are put up on the website of the Company at the link: <http://www.brawnbiotech.com/wp-content/uploads/2019/04/Policy-on-Nomination-and-Remuneration.pdf>

MEETINGS OF THE BOARD OF DIRECTORS

Five meetings of the Board of Directors were held during the financial year 2019-20 i.e. on 25.04.2019, 22.05.2019, 13.08.2019, 12.11.2019, and 11.02.2020. The details of the meetings of the Board held during the financial year 2018-19 forms part of the Corporate Governance Report.

COMPOSITION OF COMMITTEES

AUDIT COMMITTEE

The Board of Directors of the Company has a duly constituted Audit Committee in terms of the provisions of Section 177 of the Companies Act, 2013 read with the Rules framed thereunder and Regulation 18 of the Listing Regulations. The terms of reference of the Audit Committee has been approved by the Board of Directors. Composition of the Audit Committee, number of meetings held during the year under review, brief terms of reference and other details have been provided in the Corporate Governance Report which forms part of this Annual Report.

The Audit Committee majorly comprises of Independent Directors namely Mr. Subhash Chander (Chairman/ Independent Director), Mrs. Kanta Takkar (Member/Independent Director) and Mr. Brij Raj Gupta (Member/ Non-Independent Director). All the recommendations made by the Audit Committee were accepted by the Board.

NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors constituted a Nomination and Remuneration Committee majorly comprises of Independent Directors namely Mr. Subhash Chander (Chairman/ Independent Director), Mrs. Kanta Takkar (Member/Independent Director) and Mr. Brij Raj Gupta (Member/ Non-Independent Director). The function of the Nomination and Remuneration Committee includes recommendation of appointment of Whole-time Director(s)/ Managing Director/Joint Managing Director and recommendation to the Board of their remuneration.

A Nomination and Remuneration Committee has been constituted under section 178 of the Companies Act 2013 for formulization of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.

STAKEHOLDER RELATIONSHIP COMMITTEE

The Board of Directors constituted a Stakeholder Relationship Committee majorly comprises of Independent Directors namely Mr. Subhash Chander (Chairman/ Independent Director), Mrs. Kanta Takkar (Member/Independent Director) and Mr. Brij Raj Gupta (Member/ Non-Independent Director). The Stakeholder Relationship Committee, inter alia, oversees and reviews all matters connected with the investor services in connection with applications received and shares allotted in the Initial Public Offer, status of refund account, conversion of partly paid shares into fully paid shares, rematerialization and dematerialization of shares and transfer of shares of the Company.

The Committee oversees performance of the Registrar and Transfer Agents of the Company and recommends measures for overall improvement in the quality of investor services.

EXTRACT OF ANNUAL RETURN

Extract of Annual Return in Form No. MGT – 9, as required under Section 92 of the Companies Act, 2013, is included in this Report as **Annexure ‘B’** and forms an integral part of this Report. MGT-9 is also available on the website of the Company – www.brawnbiotech.com

PARTICULARS OF EMPLOYEES

The information pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided as per **Annexure ‘C’**.

PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED

The Company has not given any loan, made investment and provided security in terms of section 186 of the Companies Act, 2013.

PREVENTION OF SEXUAL HARASSMENT

The Company has put in place an Anti- Sexual Harassment mechanism in line with the Sexual harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed there under. During the year, no complaints pertaining to sexual harassment were received.

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company’s operations in future.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

The information pertaining to conservation of energy, technology absorption, Foreign exchange Earnings and outgo as required under Section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in **Annexure 'D'** and is attached to this report.

CORPORATE SOCIAL RESPONSIBILITY

Pursuant to the provisions of Section 135 of the Companies Act, 2013 every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board and shall formulate a Corporate Social Responsibility Policy. Your Company is not falling under the purview of said section during the year.

PARTICULARS OF EMPLOYEES

The statement containing particulars of employees as required under section 197 of the Companies Act' 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not applicable to the Company.

GENERAL DISCLOSURES

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

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares/ ESOP) to employees of the Company under any scheme.
4. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
5. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

ACKNOWLEDGEMENT

The Board takes this opportunity to sincerely thank all its stakeholders namely, shareholders, customers, suppliers/ contractors, bankers, employees, Government agencies, local authorities and the immediate society for their un- stinted support and co-operation during the year.

**On behalf of the Board of Directors
For Brawn Biotech Limited**

PLACE: New Delhi
DATE: 21.08.2020

**Sd/-
Brij Raj Gupta
(DIN: 00974969)
Chairman & Director**

**Sd/-
Brij Bala Gupta
(DIN: 00975261)
Director**

ANNEXURE 'A' TO THE BOARD'S REPORT

**Form No. MR- 3
Secretarial Audit Report
For the Financial Year ended 31st March, 2020**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To
The Members,
Brawn Biotech Limited
4B, Asaf Ali Road, II Floor,
Delhi Stock Exchange Building,
New Delhi-110002

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate governance practice by **Brawn Biotech Limited** (CIN: L74899DL1985PLC022468) (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, Minutes Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended **31st March, 2020**, 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, 2020** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of foreign Direct Investment, Overseas Direct Investment, External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
 - b) 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.
 - c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **[Not applicable as the company has not issued further share capital during the period under review]**

- e) SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, as may be amended from time to time.

Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company under the financial year under report:-

- (a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (c) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock purchase Scheme) Guidelines, 1999;
- (vi) Other laws applicable to the Company are listed below:
 - (a) The Employees Provident Fund & Miscellaneous Provisions Act, 1952;
 - (b) The Employees State Insurance Act, 1948;
 - (c) Industrial Dispute Act, 1947;
 - (d) Minimum Wages Act, 1948;
 - (e) Payment of Bonus Act, 1965;
 - (f) Payment of Gratuity Act, 1972

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

- (i) Secretarial Standards with regard to meeting of Board of Directors (SS-1) and General Meeting (SS-2) issued by The Institute of Company Secretaries of India.
- (ii) Provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We have not examined compliance by the Company with applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory financial auditor and other designated professionals.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, to the extent applicable.

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. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least 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 commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**For Amit Bansal & Associates
Company Secretaries**

Place: New Delhi
Date:-17.08.2020

**Sd/-
Amit Bansal
ACS No.: 21319
C.P No.: 17875
UDIN: A021319B000585014**

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

ANNEXURE-A

To
The Members
Brawn Biotech Limited

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have obtained the Management representation (written) about the compliance of laws, rules and regulations and happening of events etc. and formed our opinion solely on the basis of such representation.
4. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
5. 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 Amit Bansal & Associates
Company Secretaries**

Place: New Delhi
Date: -17.08.2020

**Sd/-
Amit Bansal
ACS No.: 21319
C.P No.: 17875
UDIN: A021319B000585014**

ANNEXURE 'B' TO THE BOARD'S REPORT

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2020

**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014**

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L74899DL1985PLC022468
2.	Registration Date	07-11-1985
3.	Name of the Company	Brawn Biotech Limited
4.	Category/Sub-category of the Company	Wholesale of Pharmaceutical and Medical Goods
5.	Address of the Registered Office & contact details	4B, Asaf Ali Road, II Floor, Delhi Stock Exchange Building, New Delhi- 110002 Ph: 011- 23275208
6.	Address of the Corporate Office & contact details	Plot No. 30, Sector 33, Near Hero Honda Factory Gurgaon 122002 Ph: 0124- 4666152
7.	Whether listed company	YES
8.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	RCMC SHARE REGISTRY PRIVATE LIMITED B-25/1, 1 ST FLOOR, OKHLA INDUSTRIAL AREA PHASE-II, NEW DELHI-110020 TEL. 011-26387320, 21 FAX: 011-26387322

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)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	WHOLESALE OF PHARMACEUTICAL AND MEDICAL GOODS	46497	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES – N.A

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Category- wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2019]	No. of Shares held at the end of the year[As on 31-March-2020]	% Chang
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BRAWN BIOTECH LIMITED

	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	e during the year
A. Promoters									
(1) Indian									
a) Individual/HUF	1333320	209890	1543210	51.43	1433094	110400	1543494	51.44	0.01
b) Central Govt	0	0	0	0	0	0	0	0	Nil
c) State Govt(s)	0	0	0	0	0	0	0	0	Nil
d) Bodies Corp.	0	68100	68100	2.27	0	68100	68100	2.27	Nil
e) Banks / FI	0	0	0	0	0	0	0	0	Nil
f) Any other	0	0	0	0	0	0	0	0	Nil
Total shareholding of Promoter (A)	1333320	277990	1611310	53.70	1433094	178500	1611594	53.71	0.01
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	17800	17800	0.59	0	17800	17800	0.59	Nil
b) Banks / FI	0	0	0	0	25	0	25	0	Nil
c) Central Govt	0	0	0	0	0	0	0	0	Nil
d) State Govt(s)	0	0	0	0	0	0	0	0	Nil
e) Venture Capital Funds	0	0	0	0	0	0	0	0	Nil
f) Insurance Companies	0	0	0	0	0	0	0	0	Nil
g) FIs	0	0	0	0	0	0	0	0	Nil
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	Nil
i) Others (specify)	0	0	0	0	0	0	0	0	Nil
Sub-total (B)(1):-	0	17800	17800	0.59	25	17800	17825	0.59	Nil
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	16178	3700	19878	0.66	10101	3700	13801	0.46	(0.2)
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									

BRAWN BIOTECH LIMITED

i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	769667	417952	1187619	39.58	769467	405552	1175019	39.16	(0.42)
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	37093	0	37093	1.24	77462	0	77462	2.58	1.34
c) Others (Specify)									
Non Resident Indians	70044	50000	120044	4.00	54061	50000	104061	3.47	(0.53)
Hindu Undivided Family	0	0	0	0	0	0	0	0	Nil
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	Nil
Foreign Nationals	0	0	0	0	0	0	0	0	Nil
Clearing Members	6646	0	6646	0.22	538	0	538	0.02	(0.2)
Trusts	0	0	0	0	0	0	0	0	Nil
Foreign Bodies - D R	0	0	0	0	0	0	0	0	Nil
Sub-total (B)(2):-	899628	470652	1371280	45.70	911629	459252	1370881	45.69	(0.01)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	899628	489452	1389080	46.30	911629	477052	1388681	46.29	(0.01)
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	Nil
Grand Total (A+B+C)	2207892	792408	3000300	100	2344748	655552	3000300	100	NIL

B) Shareholding of Promoter-

SN	Particulars	Shareholding at the beginning of the year	Cumulative Shareholding during the year

BRAWN BIOTECH LIMITED

		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	BRIJ RAJ GUPTA				
	At the beginning of the year	500000	16.67	500000	16.67
	27/12/2019 Transfer	174	0.01		
	At the end of the year			500174	16.67
2	SHASHI BALA GUPTA				
	At the beginning of the year	248253	8.27	248253	8.27
	At the end of the year			248253	8.27
3	NITIN GUPTA				
	At the beginning of the year	192947	6.43	192947	6.43
	At the end of the year			192947	6.43
4	Adarsh Kumar Gupta				
	At the beginning of the year	187650	6.25	187650	6.25
	At the end of the year			187650	6.25
5	SHRI RAM GUPTA				
	At the beginning of the year	99400	3.31	99400	3.31
	19/04/2019 Transfer		-99400	-3.31	0
	At the end of the year			0	0
6	Brij Bala Gupta				
	At the beginning of the year	89600	2.99	89600	2.99
	19/04/2019 Transfer	99400	3.31	189000	6.3
	At the end of the year			189000	6.3
7	Atul Gupta				
	At the beginning of the year	70750	2.36	70750	2.36
	At the end of the year			70750	2.36
8	A B PHARMA P LTD				
	At the beginning of the year	68100	2.27	68100	2.27
	At the end of the year			68100	2.27
9	KAVITA GUPTA				
	At the beginning of the year	44900	1.5	44900	1.5
	At the end of the year			44900	1.5
10	Bhawna Goyal				
	At the beginning of the year	32450	1.08	32450	1.08
	At the end of the year			32450	1.08
11	MAMTA GUPTA				
	At the beginning of the year	13200	0.44	13200	0.44
	At the end of the year			13200	0.44
12	LOVE GUPTA				

BRAWN BIOTECH LIMITED

	At the beginning of the year	13550	0.45	13550	0.45
	At the end of the year			13550	0.45
13	KUSH GUPTA				
	At the beginning of the year	13050	0.43	13050	0.43
	At the end of the year			13050	0.43
14	MAMTA GOEL				
	At the beginning of the year	10770	0.36	10770	0.36
	At the end of the year			10770	0.36
15	NUPUR VIBHUTI				
	At the beginning of the year	2500	0.08	2500	0.08
	At the end of the year			2500	0.08
16	SURABHI VIBHUTI				
	At the beginning of the year	2500	0.08	2500	0.08
	At the end of the year			2500	0.08
17	ASHOK KUMAR AGGARWAL				
	At the beginning of the year	2000	0.07	2000	0.07
	At the end of the year			2000	0.07
18	ASHA AGGARWAL				
	At the beginning of the year	2000	0.07	2000	0.07
	At the end of the year			2000	0.07
19	BISHAN DASS DOGRA				
	At the beginning of the year	2000	0.07	2000	0.07
	At the end of the year			2000	0.07
20	HUMAIRA FAROOQ				
	At the beginning of the year	2000	0.07	2000	0.07
	At the end of the year			2000	0.07
21	MANEET KAUR CHHATWAL				
	At the beginning of the year	2000	0.07	2000	0.07
	At the end of the year			2000	0.07
22	MOHAN C BAZAR				
	At the beginning of the year	2000	0.07	2000	0.07
	At the end of the year			2000	0.07
23	MOHINDER SINGH SHAH				
	At the beginning of the year	2000	0.07	2000	0.07
	At the end of the year			2000	0.07
24	PRADIP PRASAD				
	At the beginning of the year	2000	0.07	2000	0.07
	At the end of the year			2000	0.07
25	SHANTA BAZAZ				
	At the beginning of the year	2000	0.07	2000	0.07
	At the end of the year			2000	0.07
26	BASANT KUMAR GOSWAMI				
	At the beginning of the year	1600	0.05	1600	0.05

BRAWN BIOTECH LIMITED

	At the end of the year			1600	0.05
27	TILAK RAJ NIJHARA				
	At the beginning of the year	2200	0.07	2200	0.07
	At the end of the year			2200	0.07

C) Change in Promoters' Shareholding (please specify, if there is no change): Change stated in above point.

D) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sl No.	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	DAKSHA KOTAK					
	At the beginning of the year 01/04/2019		40293	1.34	40293	1.34
	At the end of the year 31/03/2020				40293	1.34
2	AJIT KUMAR					
	At the beginning of the year 01/04/2019		30100	1	30100	1
	19/04/2019	Transfer	-555	-0.02	29545	0.98
	24/05/2019	Transfer	-2500	-0.08	27045	0.9
	21/06/2019	Transfer	-80	0	26965	0.9
	02/08/2019	Transfer	-1500	-0.05	25465	0.85
	16/08/2019	Transfer	-8954	-0.3	16511	0.55
	23/08/2019	Transfer	-100	0	16411	0.55
	24/01/2020	Transfer	-1000	-0.03	15411	0.51
	14/02/2020	Transfer	-90	0	15321	0.51
	At the end of the year 31/03/2020				15321	0.51
3	RAJESH JADAVJI VORA					
	At the beginning of the year 01/04/2019		19617	0.65	19617	0.65
	19/04/2019	Transfer	908	0.03	20525	0.68
	31/05/2019	Transfer	1097	0.04	21622	0.72
	12/07/2019	Transfer	298	0.01	21920	0.73
	30/08/2019	Transfer	2	0	21922	0.73

BRAWN BIOTECH LIMITED

	At the end of the year 31/03/2020				21922	0.73
4	GOPAL DHALUMAL					
	At the beginning of the year 01/04/2019		18500	0.62	18500	0.62
	At the end of the year 31/03/2020				18500	0.62
5	PANKAJ NASKAR					
	At the beginning of the year 01/04/2019		14778	0.49	14778	0.49
	At the end of the year 31/03/2020				14778	0.49
6	CREDIT CAPITAL INVESTMENT TRUS					
	At the beginning of the year 01/04/2019		10400	0.35	10400	0.35
	At the end of the year 31/03/2020				10400	0.35
7	NARENDRA K SHAH					
	At the beginning of the year 01/04/2019		9500	0.32	9500	0.32
	10/05/2019	Transfer	500	0.02	10000	0.33
	At the end of the year 31/03/2020				10000	0.33
8	MOHAMMAD ALI					
	At the beginning of the year 01/04/2019		8565	0.29	8565	0.29
	23/08/2019	Transfer	206	0.01	8771	0.29
	At the end of the year 31/03/2020				8771	0.29
9	SURENDRA PAL GARG					
	At the beginning of the year 01/04/2019		8000	0.27	8000	0.27
	At the end of the year 31/03/2020				8000	0.27
10	RAJINDERPRASAD S MEHRA .					
	At the beginning of the year 01/04/2019		7112	0.24	7112	0.24
	At the end of the year 31/03/2020				7112	0.24
11	D SUBRAMANYAM RAJU					
	At the beginning of the year 01/04/2019		3163	0.11	3163	0.11
	03/05/2019	Transfer	2402	0.08	5565	0.19
	02/08/2019	Transfer	3524	0.12	9089	0.3
	09/08/2019	Transfer	55	0	9144	0.3
	16/08/2019	Transfer	28	0	9172	0.31
	23/08/2019	Transfer	861	0.03	10033	0.33
	06/09/2019	Transfer	612	0.02	10645	0.35
	13/09/2019	Transfer	917	0.03	11562	0.39

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	20/09/2019	Transfer	607	0.02	12169	0.41
	04/10/2019	Transfer	398	0.01	12567	0.42
	11/10/2019	Transfer	2413	0.08	14980	0.5
	18/10/2019	Transfer	554	0.02	15534	0.52
	25/10/2019	Transfer	1042	0.03	16576	0.55
	01/11/2019	Transfer	1438	0.05	18014	0.6
	08/11/2019	Transfer	2858	0.1	20872	0.7
	15/11/2019	Transfer	2385	0.08	23257	0.78
	22/11/2019	Transfer	1598	0.05	24855	0.83
	29/11/2019	Transfer	782	0.03	25637	0.85
	06/12/2019	Transfer	1367	0.05	27004	0.9
	13/12/2019	Transfer	3225	0.11	30229	1.01
	20/12/2019	Transfer	420	0.01	30649	1.02
	27/12/2019	Transfer	2820	0.09	33469	1.12
	03/01/2020	Transfer	639	0.02	34108	1.14
	10/01/2020	Transfer	790	0.03	34898	1.16
	17/01/2020	Transfer	1185	0.04	36083	1.2
	24/01/2020	Transfer	883	0.03	36966	1.23
	31/01/2020	Transfer	609	0.02	37575	1.25
	07/02/2020	Transfer	440	0.01	38015	1.27
	14/02/2020	Transfer	1269	0.04	39284	1.31
	28/02/2020	Transfer	615	0.02	39899	1.33
	06/03/2020	Transfer	100	0	39999	1.33
	31/03/2020	Transfer	370	0.01	40369	1.35
	At the end of the year 31/03/2020				40369	1.35
12	ICICI SECURITIES LIMITED					
	At the beginning of the year 01/04/2019		300	0.01	300	0.01
	05/04/2019	Transfer	-300	-0.01	0	0
	19/04/2019	Transfer	350	0.01	350	0.01
	26/04/2019	Transfer	-325	-0.01	25	0
	03/05/2019	Transfer	-25	0	0	0
	24/05/2019	Transfer	100	0	100	0
	31/05/2019	Transfer	600	0.02	700	0.02
	07/06/2019	Transfer	-400	-0.01	300	0.01
	14/06/2019	Transfer	-300	-0.01	0	0
	21/06/2019	Transfer	300	0.01	300	0.01
	28/06/2019	Transfer	-300	-0.01	0	0
	19/07/2019	Transfer	500	0.02	500	0.02
	26/07/2019	Transfer	-500	-0.02	0	0
	02/08/2019	Transfer	1549	0.05	1549	0.05

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	09/08/2019	Transfer	-1549	-0.05	0	0
	16/08/2019	Transfer	9475	0.32	9475	0.32
	23/08/2019	Transfer	-9475	-0.32	0	0
	06/09/2019	Transfer	15	0	15	0
	13/09/2019	Transfer	-15	0	0	0
	11/10/2019	Transfer	250	0.01	250	0.01
	18/10/2019	Transfer	50	0	300	0.01
	25/10/2019	Transfer	-300	-0.01	0	0
	08/11/2019	Transfer	500	0.02	500	0.02
	15/11/2019	Transfer	-500	-0.02	0	0
	06/12/2019	Transfer	42	0	42	0
	13/12/2019	Transfer	58	0	100	0
	20/12/2019	Transfer	-90	0	10	0
	27/12/2019	Transfer	190	0.01	200	0.01
	03/01/2020	Transfer	-179	-0.01	21	0
	10/01/2020	Transfer	208	0.01	229	0.01
	17/01/2020	Transfer	-229	-0.01	0	0
	31/01/2020	Transfer	37	0	37	0
	07/02/2020	Transfer	-37	0	0	0
	At the end of the year 31/03/2020				0	0
13	SATYA PRAKASH MITTAL					
	At the beginning of the year 01/04/2019		0	0	0	0
	23/08/2019	Transfer	8001	0.27	8001	0.27
	06/09/2019	Transfer	268	0.01	8269	0.28
	27/09/2019	Transfer	-756	-0.03	7513	0.25
	04/10/2019	Transfer	79	0	7592	0.25
	11/10/2019	Transfer	-137	0	7455	0.25
	18/10/2019	Transfer	-258	-0.01	7197	0.24
	25/10/2019	Transfer	-843	-0.03	6354	0.21
	01/11/2019	Transfer	-3256	-0.11	3098	0.1
	08/11/2019	Transfer	-3098	-0.1	0	0
	At the end of the year 31/03/2020				0	0

E) Shareholding of Directors and Key Managerial Personnel:

Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year	Cumulative Shareholding during the year	% Change in shareholding end of the year
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BRAWN BIOTECH LIMITED

	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
1. Brij Raj Gupta	499800	16.66%	5,00,174	16.67%	+0.01%
2. Brij Bala Gupta	89600	2.99%	1,89,000	6.3%	+3.31%

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	NIL			NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL			NIL
Total (i+ii+iii)	NIL			NIL
Change in Indebtedness during the financial year				
· Addition	NIL	NIL	NIL	NIL
· Reduction	NIL			NIL
Net Change	NIL			NIL
Indebtedness at the end of the financial year				
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL			NIL
iii) Interest accrued but not due	NIL			NIL
Total (i+ii+iii)	NIL			NIL

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	No remuneration of any kind had been paid to the Directors during the year 2019-20	No remuneration of any kind had been paid to the Directors during the year

BRAWN BIOTECH LIMITED

	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961		
2	Stock Option, Sweat Equity, Commission		
	Total (A)		
	Ceiling as per the Act	NA	NA

B. Remuneration to other directors (Independent Directors): No remuneration is paid to Independent Directors of the Company.

B. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

SN.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Company Secretary	Chief Financial Officer	
		MS. PRIYANKA SHARMA	MS. RATI GARG	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	5,01,000 NA NA	11,29,200 NA NA	16,30,200 NA NA
2	Stock Option, Sweat Equity, Commission, Others	NA	NA	NA
	Total (A)	5,01,000	11,29,200	16,30,200

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: No penalties, punishment have been imposed on the Company, its Directors and other Officers under the Companies Act, 2013.

ANNEXURE 'C' TO THE BOARD'S REPORT

PARTICULARS OF REMUNERATION

The information required under Section 197 of the Act and the Rules made there-under, in respect of employees of the Company, is as follows:

- a) The Ratio of the Remuneration of each Director to the Median Remuneration of the Employees of the Company for the financial year:

Name of person	Ratio to Median Remuneration
Non-Executive Directors	0.00
Executive Directors	
Mr. Brij Raj Gupta	0.00

- b) The percentage increase in Remuneration of each Director, Chief Financial Officer, Company Secretary, in the financial year:

Name of person	% Increase in Remuneration
Non-Executive Directors	0.00
Executive Directors	
Mr. Brij Raj Gupta	0.00
KMP	
Ms. Priyanka Sharma(CS)	19.04
Ms. Rati Garg (CFO)	8.97

- c) The percentage increase in the Median Remuneration of employees in the financial year: 10%
- d) The number of permanent employees on the rolls of Company as on 31.03.2020 employees is **59**.
- e) The explanation on the relationship between: Average increase in Remuneration and Company Performance - On an average, employee received an increase of 10%. The increase in remuneration is in line with the market trends and is linked to organization performance.
- f) Comparison of the Remuneration of the Key Managerial Personnel against the Performance of the Company:

Particulars	Rs
Remuneration of Key Managerial Personnel (KMP) during financial year 2019-20	16,30,200
Remuneration (as % of revenue i.e. Rs. 4978.70 Lakhs)	0.32%
Remuneration (as % of PBT i.e. Rs. 81.97 Lakhs)	19.8%

- g) Variation in the Market Capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate

at which the Company came out with the last public offer in case of listed companies and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year:

Particulars	Unit	As at 31 st March, 2020	As at 31 st March, 2019	Variation
Closing rate of share at BSE	Rs.	18.65	37.15	
EPS	Rs.	2.01	4.63	
Market Capitalization	Rs/lac	559.55	1114.61	
Price Earnings Ratio	Ratio	9.28	8.02	

- h) Average percentile increase already made in the salaries of employees other than managerial personnel in the last financial year and its comparison with percentile increase in the Managerial Remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the Managerial Remuneration. The average increase in salaries of employees in 2019-20 was 10%. Percentage increase in the Managerial Remuneration for the year was 14.00%.
- i) Comparison of each Remuneration of the Key Managerial Personnel against the performance of the company

Particulars	Managing Director	CS	CFO
Remuneration	Nil	5,01,000	11,29,200
Remuneration (as % of revenue i.e. Rs. 4978.70 Lakhs)	Nil	0.10%	0.22%
Remuneration (as % of PBT i.e. Rs. 81.97 Lakhs)	Nil	6.11%	13.78%

- j) **The key parameters for any variable component of Remuneration availed by the Directors:**

No remuneration and perquisites to Chairman and Managing Director were paid and hence no approval by the members had been required. Further, the Non-Executive Directors are not getting sitting fees for attending Board & Committee Meetings.

- k) The ratio of the remuneration of the highest paid Director to that of employees who are not Directors but receive remuneration in excess of the highest paid Directors during the year: **Not Applicable.**

- l) Affirmation that the remuneration is as per the remuneration policy of the Company. The Company affirms Remuneration is as per the Remuneration policy of the Company.

ANNEXURE 'D' TO THE BOARD'S REPORT

INFORMATION AS PER SECTION 134 OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014 AND FORMING PART OF THE DIRECTORS REPORT FOR THE YEAR ENDED MARCH 31, 2020

(A) CONSERVATION OF ENERGY, POWER AND FUEL CONSUMPTION

The company is taking all measures to conserve Energy, Power and Fuel Consumption.

(i) Energy Conservation Measures taken N.A.

(ii) Usage of Alternate Sources of Energy N.A.

(iii) Capital Investments in Energy Conservation Equipments N.A.

(B) Technology absorption N.A.

(C) Expenditure on R&D N.A.

(D) Foreign Exchange earnings Rs. 44,91,90,830

		Year ended 31 st March 2020	Year ended 31 st March 2019
a)	Total foreign Exchange earned	44,91,90,830	61,27,53,060
b)	Total foreign Exchange used on Import of raw materials, spare parts and capital goods	-	-
c)	Expenditure in Foreign Currencies for travels, subscription, consumables stores, goods for resale, commission on export sales etc.	-	-
d)	Remittance during the year in foreign currency on account of dividend.	-	-

**On behalf of the Board of Directors
For Brawn Biotech Limited**

PLACE: New Delhi

DATE: 21.08.2020

Sd/-

**Brij Raj Gupta
(DIN: 00974969)
Chairman & Director**

Sd/-

**Brij Bala Gupta
(DIN: 00975261)
Director**

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**PHARMACEUTICAL SECTOR OVERVIEW**

India plans to set up a nearly Rs 1 lakh crore (US\$ 1.3 billion) fund to provide boost to companies to manufacture pharmaceutical ingredients domestically by 2023.

“Pharma Vision 2020’ by the government’s Department of Pharmaceuticals aims to make India a major hub for end-to end drug discovery. The sector has received cumulative Foreign Direct Investment (FDI) worth US\$ 16.39 billion between April 2000 and December 2019. Under Union Budget 2020-21, allocation to the Ministry of Health and Family Welfare stands at Rs 65,012 crore (US\$ 9.30 billion), whereas, Rs 6,429 crore (US\$ 919 million) has been allocated to health insurance scheme, Ayushman Bharat – Pradhan Mantri Jan Arogya Yojana (AB-PMJAY). In November 2019, the cabinet approved the extension/renewal of extant Pharmaceuticals Purchase Policy (PPP) with the same terms and conditions, while adding one additional product, namely Alcoholic Hand Disinfectant (AHD), to the existing list of 103 medicines till the final closure/strategic disinvestment of pharma CPSUs.

Medical devices industry in India has been growing 15.2 per cent annually and is expected to reach US\$ 8.16 billion by 2020 and US\$ 25 billion by 2025.

Affordable medicines under the Pradhan Mantri Bhartiya Janaushadhi Pariyojana (PMBJP) achieved a record sales turnover of Rs 52 crore (US\$ 7.38 million) in the month of April 2020.

FDI increased to 74 per cent in existing pharmaceutical companies and 100 per cent in new projects.

INDIAN PHARMACEUTICAL MARKET

Indian drugs are exported to more than 200 countries in the world, with US being the key market. Generic drugs account for 20 per cent of the global export in terms of volume, making the country the largest provider of generic medicines globally. It is expected to expand even further in the coming years. Pharmaceutical export from India, which include bulk drugs, intermediates, drug formulations, biologicals, Ayush & herbal products and surgicals reached US\$ 13.69 billion in FY20 (till January 2020). The export is expected to reach US\$ 20 billion by 2020.

The year 2019-20 continued to witness growth in the Pharma and related sectors. As the company is engaged in Manufacturing of the Pharma Intermediate, the growth of Company is exceptionally well as compared to the growth in industry as a whole and financial performance of the company during FY 2019-20.

FINANCIAL AND OPERATIONAL PERFORMANCE

The same has been discussed in the Board’s Report.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT

Your Company is giving special attention to Human Resources/Industrial relations development. Industrial relations remained cordial throughout the year and in order to make the organization strong, progressive and dynamic; our Company focusses on organizational development, employee engagement and talent management and retention. The working atmospheres for all the employees are very favorable and suitable systems are in place for optimum working efficiency of all the employees.

COMPANY PERFORMANCE

The Company being a manufacturer is always exposed to the general risks such as government regulations and policies, statutory compliances, etc. The Company from time to time identifies the risk and has put in its place appropriate measures for mitigating such risks. During the year the performance of the Company has substantially increased compared to the previous year

INTERNAL CONTROL SYSTEMS & ADEQUACY

Your Company has in place adequate internal control systems commensurate with size and nature of its operations. Internal control processes, which consist of adopting appropriate management systems and implementing them, are followed. The Company has a qualified Audit Committee, independent Statutory Auditors and Internal Auditors who submit reports periodically, which are reviewed and acted upon.

PROSPECTS

The Indian economy is one of the fastest developing economies in the world. On back of increasing sales of generic medicines, continued growth in chronic therapies and a greater penetration in rural markets, the domestic pharmaceutical market is expected to grow India's economic growth is expected to accelerate, backed by improved investor confidence and better policy reforms. The Company is positive of increasing its market share through long-term growth opportunities in its existing products, acquisition of new customers

OPPORTUNITIES AND THREATS:**OPPORTUNITIES:**

In FY 2019-2020, our business reflected the agility of our supply and helped us reach our customers at the right time.

Thus, ensuring that we could capitalize on short-term market opportunities and leverage the same to build long-term partnerships.

THREATS:

India's large import dependence on China (nearly 70% by value) has become a significant threat to India's healthcare manufacturing and global supply chain. While Indian pharma players over a time period have steadily migrated up the value chain to focus on value-added formulations with higher margins, but this over dependence on China has increased the threat to the nation's health security as some of these critical APIs are crucial to mitigate India's growing disease burden. India has significantly lost out on the API manufacturing owing to the inadequate government support and API focused infrastructure coupled with complexity in getting approvals for setting up a manufacturing plant, delayed pollution clearances, high cost with low availability of utilities, regulatory and price control regime are some of the key challenges faced by the bulk drug industry.

CORPORATE GOVERNANCE REPORT

This section on Corporate Governance forms part of the Annual Report to the shareholders. It is not mandatory to give this report in terms of Regulation 15(2) of the SEBI (LODR) Regulations, 2015. Corporate Governance is, essentially, a philosophy. It encompasses not only the regulatory and legal requirements, but also the voluntary practices developed by the company to protect the best interests of all stakeholders.

1. BRIEF NOTE ON COMPANY'S PHILOSOPHY

Corporate Governance primarily involves transparency, full disclosure, independent monitoring of the state of affairs and being fair to all stakeholders. A good Corporate Governance leads to long term shareholders value and enhances interest of other stakeholders. The Company firmly believes that Corporate Governance is a pre requisite for attaining sustainable growth. It brings in to focus the fiduciary and trusteeship role of the Board to align and direct the actions of the organization towards creating wealth and shareholder value.

The Company has always believed in good Corporate Governance and Standard Corporate Practice. The company has always remained prompt and regular in discharging its statutory obligations and duties.

The Company has laid a strong foundation for Corporate Governance. The Board has a balanced mix of Executive and independent directors with one women director having rich expertise. Code of Conduct for Directors and the senior management are hosted on the website of the Company. Board of Directors has constituted various committees such as Audit Committee, Remuneration Committee and Shareholders'/Investors' Grievances Committee. The meetings of the Board and Committees thereof have been held as frequently as required for proper and effective control over the affairs of the Company. All the directors, attending the Board and Committee Meetings, actively participate in the proceedings.

The Company is committed to uphold the highest standard of integrity in the conduct of the business and sound system of internal checks, balances and controls are in place and were evaluated and updated at regular intervals.

2. COMPOSITION OF THE BOARD AND RECORD OF OTHER DIRECTORSHIPS HELD

The Company being the artificial entity is managed through Board of Directors, which comprise of required combination of Executive and Non- Executive Directors headed by the Chairman. On 31st March, 2020, the strength of the Board was four, comprising one Chairman-cum-Director, one Non- Executive Promoter Director, two Non- Executive Independent Directors.

The above mentioned composition of the Board of Directors of the Company is in conformity with the provisions of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

BRAWN BIOTECH LIMITED

The structure of the Board and record of other Directorships, Committee memberships and Shareholding in the Company as on March 31, 2020 is as under:

Name of the Directors & Category of Directorship		Directorship in other public limited companies		Committees Membership held in Other public Companies		No. of Board Meetings during the year		Attend ed Last AGM	No. of share held in the compan y
		Total	As Chairman	Total	Chair man	Held	Attend ed		
Brij Raj Gupta	Chairman & Director	1	1	Nil	Nil	05	05	Yes	5,00,174
Brij Bala Gupta	Non-Executive Promoter Director	0	Nil	Nil	Nil	05	05	Yes	1,89,000
Mr. Subhash Chander	Non-Executive Independent Director	0	Nil	Nil	Nil	05	05	No	Nil
Mrs. Kanta Takkar	Non-Executive Independent Director	0	Nil	Nil	Nil	05	05	No	Nil

Notes:

- a) None of the Directors is a member of more than 10 Board- level committees of public Companies in which they are Directors, nor is chairman of more than 5 such Committees.
- b) None of the Independent Directors of the Company serves as an Independent Director in more than seven Listed Companies and is not a member of more than 10 committees.

3. BOARD MEETINGS:

All the Board Meetings are held at the Company's registered office in New Delhi. The agenda for each meeting along with explanatory notes is sent in advance to the Directors. The Board meets atleast once in a quarter to review the quarterly results.

Number of Board Meetings:

The Company met 5 times on 25.04.2019, 22.05.2019, 13.08.2019, 12.11.2019 and 11.02.2020 during the Financial Year ended 31st March, 2020.

4. BOARD LEVEL COMMITTEE

In accordance with the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the following

- i. Audit Committee
- ii. Stakeholders Relationship Committee
- iii. Nomination and Remuneration Committee

i. Audit Committee Meetings

Regulation 18(2)(a) of the Listing Regulations prescribes that Audit Committee meetings shall be held at least four times in a year and the time- gap between two meetings shall not be more than 120 days. It met four times during the year 2019-20 on 22.05.2019, 13.08.2019, 12.11.2019 and 11.02.2020.

The details of the meeting of Audit Committee attended by the members are as under:-

Members of Audit Committee	Category	Meetings held	Meetings attended
Mr. Subhash Chander	Chairman	4	4
*Mr. Arun Mudgal	Member	2	2
Mr. Brij Raj Gupta	Member	2	2
Mrs. Kanta Takkar	Member	4	4

Note: The Committee was reconstituted during the financial year due to the resignation of member of the Committee from the directorship of the Company.

*Mr. Arun Mudgal ceased to be director of the company w.e.f. 10.09.2019.

ii. Stakeholders Relationship Committee

Terms of reference of the Stakeholders Relationship Committee are as per the guidelines set out in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013 which inter- alia include looking into the matters like transfer/transmission, issuance of duplicate shares, non-receipt of Annual Reports, investigation of investor complaints, declared dividend etc and take necessary steps for redressal thereof.

The details of the meeting of Stakeholders Relationship Committee attended by the members are as under:-

Members	Category	Meetings held	Meetings attended
Mr. Subhash Chander	Chairman	4	4
*Mr. Arun Mudgal	Member	2	2
Mr. Brij Raj Gupta	Member	2	2
Mrs. Kanta Takkar	Member	4	4

Note: The Committee was reconstituted during the financial year due to the resignation of members of the Committee from the directorship of the Company.

*Mr. Arun Mudgal ceased to be director of the company w.e.f. 10.09.2019.

iii. Nomination and Remuneration Committee

In Compliance with Section 178(1) of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Company has constituted Nomination and Remuneration Committee of the Board of Directors to review/ recommend the remuneration package of Managing Director & Whole Time Directors. The Remuneration Committee comprises of following Directors.

Members	Category
Mr. Subhash Chander	Chairman
Mr. Brij Raj Gupta	Member
Mrs. Kanta Takkar	Member

Note: The Committee was reconstituted during the financial year due to the resignation of members of the Committee from the directorship of the Company.

5. INDEPENDENT DIRECTORS

The Company has complied the provisions of Section 149(7) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and accordingly held one meeting of Independent Directors on 11th February, 2020 to review the performance of Non- independent directors and the Board as whole.

6. General Body Meeting

(i) Date/ Venue/ Time of previous three Annual General Meetings:

Year	Date	Location	Time
2018-19	21 st September, 2019	Executive Club, 439, Vill-Shahoorpur, P.O., Fatehpur Beri, N.D-110074	10.30 a.m.
2017-18	22 nd September, 2018	Executive Club, 439, Vill-Shahoorpur, P.O., Fatehpur Beri, N.D-110074	11.00 a.m.
2016-17	23 rd September, 2017	Executive Club, 439, Vill-Shahoorpur, P.O., Fatehpur Beri, N.D-110074	11.00 a.m.

(ii) Postal Ballot

During the financial year ended March 31, 2020, no resolution was passed through postal ballot.

7. Means of Communication

- i. In compliance with the Listing Regulations, the quarterly, half- yearly and annual financial results are immediately, upon approval of the Board of Directors, communicated to the Bombay Stock Exchange (BSE).
- ii. Un- audited quarterly financial results are announced within 45 days from the end of the quarter and audited annual financial results within 60 days from the end of the financial year and published in leading newspapers.
- iii. The Quarterly and annual financial results were also put on Company's website www.brawnbiotech.com.

8. GENERAL SHAREHOLDERS INFORMATION

(i) Details of Forthcoming Annual General Meeting

Date	25 th September, 2020
Time	11.00 A.M.

Financial year	The financial year of the company is for a period of 12 months from 1 st April to 31 st March every year.
Date of Book Closure	19-09-2020 to 25-09-2020
Listing on Stock Exchanges	BSE Limited;
Financial Calendar (Tentative)	<ol style="list-style-type: none"> 1. Results for the Quarter ending June'20- mid of Aug'20 2. Results for the Quarter ending Sep'20- mid of Nov'20 3. Results for the Quarter ending Dec'20- mid of Feb'21 4. Results for the Quarter ending March'21- mid of may'21
Registrar and Share Transfer Agent	M/s. RCMC Share Registry Private Limited B-25/1, 1 st Floor, Okhla Industrial Area, Phase-II, New Delhi-110020
Dematerialization of Shares	23,44,748 Shares i.e.78.15% (As on 31.03.2020)
Address for Correspondence	4B, Asaf Ali Road, Old Delhi Stock Exchange Building, New Delhi-110002, Phone: 011-43538733, Fax: 011-23275208

i) Distribution of Shareholding according to size class as on March 31, 2020

Shareholding of value of Rs.	Shareholders		Share holdings		Shareholding % to total
	Number	% to total	Shares	Amount	
UPTO TO 5000	5700	93.83	670931	6709310.00	22.36
5001 TO 10000	168	2.77	142033	1420330.00	4.73

BRAWN BIOTECH LIMITED

10001 TO 20000	114	1.88	185581	1855810.00	6.19
20001 TO 30000	33	0.54	84052	840520.00	2.80
30001 TO 40000	22	0.36	77100	771000.00	2.57
40001 TO 50000	10	0.16	46596	465960.00	1.55
50001 TO 100000	8	0.13	60065	600650.00	2.00
100001 and Above	20	0.33	1733942	17339420.00	57.79
** G Total	6075	100.00	3000300	30003000.00	100.00

(ii) Distribution of shareholding as on March 31, 2020

Sr. No.	Category	No. of Shareholders	No. of Shares held	% to Total shares
1.	Promoters & Promoter Group	26	16,11,594	53.70
2.	Mutual Funds	5	17800	0.59
3.	Financial Institutions	1	25	0
4.	Bodies Corporate	24	13,801	0.46
5.	Non-Residents	61	104061	3.47
6.	Clearing Members	3	538	0.02
7.	Individuals	5954	12,52,481	41.74
	Total	6074	3000300	100.00

CEO/CFO Certification and Auditors' Certificate relating to Corporate Governance

As per Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the provisions of Regulation 27 of the said Regulations are not applicable on the Company, and therefore, there is no requirement of CEO/ CFO Certification and Auditors' Certificate.

**On behalf of the Board of Directors
For Brawn Biotech Limited**

PLACE: New Delhi
DATE: 21.08.2020

Sd/-
Brij Raj Gupta
(DIN: 00974969)
Chairman &
Director

Sd/-
Brij Bala Gupta
(DIN: 00975261)
Director

Independent Auditor's Report**To the Members of M/s Brawn Biotech Limited
Report on the Ind AS Financial Statement****Opinion**

We have audited the financial statements of Brawn Biotech Limited ("the company"), which comprise the balance sheet as at 31st march 2020 and the statement of profit and loss including the statement of Other Comprehensive Income, statement of cash flows and statement of changes in equity for the year ended, and notes to the financial statement, including a summary of significant accounting policies and other explanatory information.

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

Basic for Opinion

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

Emphasis of Matter

We draw attention to Note XIII of the financial statements, as regards the management's evaluation of COVID-19 impact on the future performance of the company. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

We have determined that there are no key audit matters to communicate in our report.

Management's Responsibility for the standalone financial statements

The company's Board of Directors is responsible for the matter stated in section 134(5) of the companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statement that given a true and fair view of the financial position, financial performance, changes in equity and cash flow of the company in accordance with the accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act.

This responsibility also includes maintenance of adequate records in accordance with provisions of the Act for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities; section and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records,

relevant to the preparation and presentation of the financial statement that given a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statement

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

- Identify and assess the risks of material misstatement of the financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

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 items of sub –section (11) of section 143 of companies Act, 2013, we give in the Annexure 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 purpose 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 book of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the accounting standard specified under section 133 of the act, read with rule 7 of the companies (Accounts) Rules 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the board of directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of section 164(2) of the Act.
- f) 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 2".
- g) With respect to the other matters to be included in the auditor's report in accordance with rule 11 of the companies (Audit and Auditor's) rules, 2014, in our opinion and to the best of our information and according to the explanations given to us.
- h) The company has disclosed the impact of pending litigations on its financial position in its financial statements.-refer Note 1 to the financial statements.

The company did not have any long –term contracts including derivative contracts for which there were any material foreseeable losses.

There were no amounts which were required to be transferred to the Investor Education and Protection fund by the company.

For Rajiv Udai and Associates
Chartered Accountants
FRN: 018764N

Sd/-
Rajeev Jain
Partner
M.No: 099767
UDIN: 20099767AAAAEA8848

Place: Delhi
Date: 18-06-2020

Annexure 1 referred to in paragraph 1 of the section on “Report on other legal and regulatory requirements” of our report of even date

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
- (c) According to the information and explanation given to us and on the basis of our examination of the records of the company, the company did not hold any immovable property.
- (ii) The inventories have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has complied with the provision of Section 185 and 186 of the Companies Act, 2013 with respect to loans and investments made.
- (v) The Company has not accepted any deposits from the public during the year.
- (vi) As informed to us, the Central Government has not prescribed the maintenance of cost

records under sub-section (1) of section 148 of the Act, in respect of the activities carried on by the company

- (vii) (a) The Company is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, GST, cess and other material statutory dues.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, customs duty, excise duty, value added tax, GST, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, there is no dues outstanding of income-tax, sales-tax, wealth-tax, service tax, custom duty, excise duty, value added tax and cess on account of any dispute.
- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to banks and debenture holders.
- (ix) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer or debt instruments and term loan.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the

order are not applicable to the Company and hence not commented upon.

- (xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For Rajiv Udai and Associates
Chartered Accountants
FRN: 018764N

Sd/-
Rajeev Jain
Partner
M.No: 099767
UDIN: 20099767AAAAEA8848

Place: Delhi
Date: 18-06-2020

ANNEXURE 2 REFERRED TO IN PARAGRAPH 2 (f) OF THE SECTION ON “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE

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

We have audited the internal financial controls over financial reporting of Brawn Biotech Limited (“the Company”) as of March 31, 2020 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 issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting in COSO 2013 criteria, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Rajiv Udai and Associates
Chartered Accountants**

FRN: 018764N

Sd/-

Rajeev Jain

Partner

M.No: 099767

UDIN: 20099767AAAAEA8848

Place: Delhi

Date: 18-06-2020

Brawn Biotech Limited
CIN: L74899DL1985PLC022468
Balance Sheet as at 31st March 2020

(Figures in Thousand)

	Note No.	As at 31.03.2020	As at 31.03.2019
ASSETS			
(1) Non-Current Assets			
(a) Property, Plant and Equipment	3	1,757.96	1,916.78
(b) Capital work-in-progress			
(c) Other Intangible Assets			
(d) Financial Assets	4		
- Investment			
- Trade Receivable	4A	8,343.94	4,669.22
- Loan	4B	-	460.50
- Other Financial Assets			
Deferred Tax Asset (Net)	6	657.58	628.13
(e) Other Non-Current Assets			
		10,759.48	7,674.63
(2) Current Assets			
(a) Inventories	9	3,888.51	3,386.03
(b) Financial Assets	4		
- Trade Receivables	4A	149,956.19	164,577.37
- Cash and cash equivalents	8	3,998.71	5,447.04
- Loan		133.72	-
- Other Financial Assets	4C	1,265.00	1,265.00
(c) Current Tax Assets (Net)	7	7,700.00	15,486.01
(d) Other Current Assets	5	25,163.08	27,333.23
		192,105.20	217,494.67
TOTAL ASSETS		202,864.68	225,169.30
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	SOCE	30,003.00	30,003.00
(b) Other Equity		62,611.12	56,568.41
		92,614.12	86,571.41
LIABILITIES			
(1) Non-current Liabilities			
(a) Financial Liabilities	10		
- Trade Payable	10A	55.63	121.95
- Borrowings			
- Other Financial Liabilities			
(b) Provisions	12	999.12	1,450.50
(c) Deferred Tax liabilities (Net)			
		1,054.75	1,572.45
(2) Current Liabilities			
(a) Financial Liabilities	10		
- Borrowings			
- Trade Payables	10A	85,863.96	103,480.97
- Other Financial Liabilities	10B	9,176.97	8,646.48
(b) Other current liabilities	11	5,534.81	7,772.44
(c) Provisions	12	1,753.43	1,438.85
(d) Current tax liabilities	13	6,666.64	15,666.69
		109,195.81	137,025.43
TOTAL EQUITY AND LIABILITIES		202,864.68	225,169.30

Significant Accounting Policies & Notes on Financial Statements 1 to 20

For and on behalf of Board of Directors

"As per our report of even date"
For Rajiv Udai & Associates
Chartered Accountants
Firm Registration No. 018764N

sd/-
Rajeev Jain
Partner
M.No. 099767
UDIN:20099767AAAAEA8848

sd/-
Brij Raj Gupta
(Director)
DIN No. 00974969

sd/-
Brij Bala Gupta
(Director)
DIN No. 00975261

Place: Delhi
Date: 18.06.2020

sd/-
Rati Garg
(Chief Financial Officer)

sd/-
Priyanka Sharma
(Company Secretary)

Brawn Biotech Limited
CIN: L74899DL1985PLC022468
Statement of Profit and Loss for the year ended 31st March 2020

(Figures In Thousands)

	Reference Explanation	2019-20	2018-19
I. Revenue from Operations	Note 14	496,162.06	651,789.73
II. Other Income	Note 15	1,708.66	7,378.40
III. Total Income (I+II)		497,870.72	659,168.13
IV. Expenses			
Cost of materials consumed		-	-
Purchase of stock in trade	Note 16	421,531.37	584,891.98
(Increase) / Decrease in inventories of finished goods, stock-in-trade and work-in-progress	Note 17	(502.49)	89.99
Employee benefits expense	Note 18#	30,827.59	30,249.48
Finance Cost	Note 19	494.28	613.74
Depreciation and amortization expense	Note 3	347.35	319.80
Other expenses	Note 20	36,975.45	24,949.59
Total Expenses (IV)		489,673.56	641,114.57
V. Profit/(loss) before exceptional items and tax (III-IV)		8,197.16	18,053.56
VI. Exceptional Items		-	-
VII. Profit/(loss) before tax (V-VI)		8,197.16	18,053.56
VIII. Tax Expense			
(1) Current Tax		2,314.03	4,552.61
(2) Mat Credit Entitlement			
(3) Deferred Tax		(29.45)	171.88
(4) Previous Year Tax			
IX. Profit/(Loss) for the Year (VII-VIII)		5,912.58	13,329.07
X. Other Comprehensive Income			
Items that will not be reclassified to profit or loss :			
Exchange difference arising on translating foreign operations			
Re-measurement losses on defined benefit plans	#	130.13	552.88
Income tax relating to items that will not be reclassified to profit or loss			
Total Other Comprehensive Income		130.13	552.88
XI. Total Comprehensive Income for the Year (IX+X)		6,042.71	13,881.95
XII. Earnings per equity share of Rs. 10 each			
Basic/Diluted		2.01	4.63

The accompanying notes are an integral part of the financial statements

Explanations for reconciliation of Total Comprehensive Income as previously reported under IGAAP to IND AS

As per Ind AS, remeasurement gain / loss on Defined Benefit Plans (Leave Encashment & Gratuity) is to be reported under 'Other Comprehensive Income' (net of Deferred Tax thereon), instead of P&L statement.

Significant Accounting Policies & Notes on Financial Statements 1 to 20

"As per our report of even date"

For Rajiv Udai & Associates
Chartered Accountants
Firm Registration No. 018764N

sd/-
Rajeev Jain
Partner
M.No. 099767
UDIN:20099767AAAAEA8848

Place: Delhi
Date: 18.06.2020

For and on behalf of Board of Directors

sd/-
Brij Raj Gupta
(Director)
DIN No. 00974969

sd/-
Brij Bala Gupta
(Director)
DIN No. 00975261

sd/-
Rati Garg
(Chief Financial Officer)

sd/-
Priyanka Sharma
(Company Secretary)

Cash Flow Statement for the year ended 31st March, 2020
CIN NO: L74899DL1985PLC022468

(Figures In Thousand)

Particulars	For the year ended		For the year ended	
	31.03.2020		31.03.2019	
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		8,197.16		18,053.56
<i>Adjustments for:</i>				
Profit of sale of Investment (Shares)			319.79	
Depreciation and amortisation	347.35		552.876	
Re-measurement losses on defined benefit plans	130.13			
Finance costs	494.28	971.76	613.74	1,486.41
Operating profit / (loss) before working capital changes		9,168.92		19,539.96
<i>Changes in working capital:</i>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Inventories	(502.49)		89.99	
Trade receivables	14,621.18		(14,035.19)	
Long Term - Trade receivables	(3,674.72)		96.95	
Short-term loans and advances	9,822.43		15,551.50	
Long-term loans and advances	460.50		(146.39)	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	(17,617.02)		(8,804.10)	
Long Term - Trade payables	(66.32)		(210.49)	
Borrowings	-		-	
Other current liabilities	(2,237.62)		(543.11)	
Other financial liabilities	530.49		(2,632.00)	
Current tax liabilities	(8,820.05)		4,552.60	
Short-term provisions	(451.39)		(221.57)	
Long-term provisions	314.59	(7,620.42)	(2,956.54)	(9,258.33)
Cash flow from extraordinary items				
Cash generated from operations		1,548.51		10,281.63
Net income tax (paid) / refunds & Dividend		(2,314.03)		(8,173.03)
Net cash flow from / (used in) operating activities (A)		(765.53)		2,108.61
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances	(188.53)		(8.50)	
Cash flow from extraordinary items		(188.53)		(8.50)
Net cash flow from / (used in) investing activities (B)		(188.53)		(8.50)
C. Cash flow from financing activities				
Proceeds from long-term borrowings				
Proceeds from other short-term borrowings				
Finance cost	(494.28)	(494.28)	(613.74)	(613.74)
Cash flow from extraordinary items				
Net cash flow from / (used in) financing activities (C)		(494.28)		(613.74)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		(1,448.34)		1,486.37
Cash and cash equivalents at the beginning of the year		5,447.04		3,960.67
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents				
Cash and cash equivalents at the end of the year		3,998.71		5,447.04
Reconciliation of Cash and cash equivalents with the Balance Sheet:				
Cash and cash equivalents as per Balance Sheet (Refer Note- 8)		3,998.71		5,447.04
Less: Bank balances not considered as Cash and cash equivalents		3,998.71		5,447.04
Net Cash and cash equivalents		3,998.71		5,447.04
Add: Current investments considered as part of Cash and cash equivalents		3,998.71		5,447.04
Cash and cash equivalents at the end of the year *				
* Comprises:				
(a) Cash on hand		407.55		478.27
(b) Cheques, drafts on hand				
(c) Balances with banks		3,591.15		4,968.77
(i) In current accounts				

Notes:

- (i) The Cash Flow Statement reflects the combined cash flows pertaining to continuing and discounting operations.
(ii) These earmarked account balances with banks can be utilised only for the specific identified purposes.

Significant Accounting Policies & Notes on Financial Statements

"As per our report of even date"

For Rajiv Udai & Associates
Chartered Accountants
Firm Registration No. 018764N

sd/-
Rajeev Jain
Partner
M.No. 099767
UDIN:20099767AAAAEA8848

Place: Delhi
Date: 18.06.2020

For and on behalf of Board of Directors

sd/-
Brij Raj Gupta
(Director)
DIN No. 00974969

sd/-
Brij Bala Gupta
(Director)
DIN No. 00975261

sd/-
Rati Garg
(Chief Financial Officer)

sd/-
Priyanka Sharma
(Company Secretary)

Statement of changes in equity as at 31.03.2019

Equity

Equity	Other Equity						
	Equity Share Capital	Reserve & Surplus				Other comprehensive Income	
		Securities premium reserve	General Reserve	Investment Allowances	Retained earnings	Other Items of Other comprehensive income	Total equity attributable to equity holders of the
As at 1st April 2018	30,003.00	15,201.50	5,844.36	150.00	25,126.02	-	76,324.88
Profit for the year	-	-	-	-	13,881.95	-	13,881.95
Dividend including tax on dividend paid during the year	-	-	-	-	(3,620.42)	-	(3,620.42)
Remeasurement of the net defined benefit liability/assets	-	-	-	-	-	-	-
Other Adjustment	-	-	-	-	(15.00)	-	(15.00)
Excess provision of DDT Reversed	-	-	-	-	-	-	-
As at 31st Mar 2019	30,003.00	15,201.50	5,844.36	150.00	35,372.55	-	86,571.41

Statement of changes in equity as at 31.03.2020

Equity

Equity	Other Equity						Total equity attributable to equity holders of the
	Equity Share Capital	Reserve & Surplus				Other comprehensive income	
		Securities premium reserve	General Reserve	Investment Allowances	Retained earnings	Other Items of Other comprehensive income	
As at 1st April 2019	30,003.00	15,201.50	5,844.36	150.00	35,372.55	-	86,571.41
Profit for the year	-	-	-	-	6,042.71	-	6,042.71
during the year	-	-	-	-	-	-	-
Remeasurement of the net defined benefit liability/assets	-	-	-	-	-	-	-
Excess provision of DDT Reversed	-	-	-	-	-	-	-
As at 31st Mar 2019	30,003.00	15,201.50	5,844.36	150.00	41,415.26	-	92,614.12

Significant Accounting Policies & Notes on Financial Statements

"As per our report of even date"
For Rajiv Udai & Associates
Chartered Accountants
Firm Registration No. 018764N

sd/
Rajeev Jain
Partner
M.No. 099767
UDIN:20099767AAAAEA8848

Place: Delhi
Date: 18.06.2020

For and on behalf of Board of Directors

sd/
Brij Raj Gupta
(Director)
DIN No. 00974969

sd/
Rati Garg
(Chief Financial Officer)

sd/
Brij Bala Gupta
(Director)
DIN No. 00975261

sd/
Priyanka Sharma
(Company Secretary)

Brawn Biotech Limited
Equity Share Capital

(Figures in Thousand except share quantity and per share data)

Particulars	As at 31-03-2020	As at 31-03-2019
Authorized		
Equity shares, 10 par value		
45,00,000 equity shares	45000.00	45000.00
Issue, subscribed and fully paid - up		
Equity shares, 10 par value		
30,00,300 equity shares	30003.00	30003.00
	30003.00	30003.00

Details of shareholders holding more than 5% shares in the company

Particulars	As at 31-03-2020		As at 31-03-2019	
	Number	% holding in the class	Number	% holding in the class
Equity shares of 10 each fully paid				
Mr. Adarsh Kumar Gupta	187650	6.25%	187650	6.25%
Mr. Brij Raj Gupta	500174	16.67%	499800	16.66%
Mrs. Shashi Bala Gupta	248253	8.27%	248253	8.27%
Mr. Nitin Gupta	192947	6.43%	192947	6.43%
Mrs. Brij Bala Gupta	189000	6.30%	-	-

The carrying value of financial instruments by categories as of 31st March 2019 as follows:

Particulars	Fair value through profit or loss	Fair value through OCI	Amortised cost	Total
Financial Assets				
Cash & cash equivalents	-	-	5,447.04	5,447.04
Trade receivables	-	-	169,246.59	169,246.59
Loans & Advances	-	-	460.50	460.50
Other financial assets	-	-	1,265.00	1,265.00
Total	-	-	176,419.13	176,419.13
Financial liabilities				
Trade Payable	-	-	103,602.92	103,602.92
Other financial liabilities	-	-	8,646.48	8,646.48
Total	-	-	112,249.41	112,249.41

The carrying value of financial instruments by categories as of 31st March 2020 as follows:

Particulars	Fair value through profit or loss	Fair value through OCI	Amortised cost	Total
Financial Assets				
Cash & cash equivalents	-	-	3,998.71	3,998.71
Trade receivables	-	-	158,300.12	158,300.12
Loans & Advances	-	-	133.72	133.72
Other financial assets	-	-	1,265.00	1,265.00
Total	-	-	163,697.55	163,697.55
Financial liabilities				
Trade Payable	-	-	85,919.59	85,919.59
Other financial liabilities	-	-	9,176.97	9,176.97
Total	-	-	95,096.56	95,096.56

Brawn Biotech Limited
NOTES FORMING PART OF FINANCIAL STATEMENTS
CIN: L74899DL1985PLC022468

SIGNIFICANT ACCOUNTING POLICIES

Corporate Information

Brawn Biotech Limited is a public limited company incorporated in India. Its shares are listed on Bombay Stock Exchange. The Registered office of the company is located at 4B, Asaf Ali Road, II Floor, Delhi Stock Exchange Building, New Delhi-110002. Its Pharmaceutical Products cover all major product segments like Antibacterials, Cardiovasculars, Antidiabetics, Analgesics, Gastrointestinals, Antifungals, Skin Care, Antipsychotics, Antiasthmatics, Antiacids, Antimalarials, and Nutritionals. BRAWN, with its inception barely 40 years back, incorporated in 1985 has today evolved into a fully integrated, healthcare group, marking its presence in some parts of India and in Iraq.

Note:1-Significant Accounting Policies:

- A** The following note provides list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented unless otherwise stated.

I Basis of Preparation:

- A** The Financial Statements have been prepared in all material aspects in accordance with Indian Accounting Standards [Ind AS] notified under the companies [Indian Accounting Standards] Rules, 2015, notified under Section 133 of Companies Act, 2013, ('the Act') and other relevant Provisions of the Act.

- C** The financial statements have been prepared on historical cost basis, except for the assets and liabilities which have been measured at fair value or revalued amount.

D Current versus non-current classification:

The assets and liabilities in the balance sheet are presented based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle, or
- Held primarily for the purpose of trading, or
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when it is:

- Expected to be settled in normal operating cycle, or
- Held primarily for the purpose of trading, or
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are treated as non-current.

Deferred tax assets and liabilities are classified as noncurrent assets and liabilities respectively.

II Use of Estimates:

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of income and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments are provided below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Critical estimates and judgments

a) Income Taxes:

Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions.

b) Property, Plant and Equipment:

Property, Plant and Equipment represent a significant proportion of the asset base of the company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Management reviews the residual values, useful lives and method of depreciation of Property, Plant and Equipment at each reporting period end and any revision to these is recognized prospectively in current and future periods. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

c) Employees benefits:

Significant judgments are involved in making judgments about the life expectancy, discounting rate, salary increase etc. which significantly affect the working of the present value of future liabilities on account of employees benefits by way of defined benefit plans.

III Foreign Currency Transactions:

The Company's financial statements are presented in Indian Rupees [INR], which is the functional and presentation currency

- A** The transactions in foreign currencies are translated into functional currency at the rates of exchange prevailing on the dates of transactions.

- B** Foreign Exchange gains and losses resulting from settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the year end exchange rates are recognized in the statement of Profit and Loss.

IV Revenue Recognition:

- A 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, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government and is shown net of returns, trade allowances, rebates, value added taxes and volume discounts.

(i) Sales

Sales are recognized when effectively the risk and rewards of ownership has passed to the buyer.

(ii) Commission/Fee/Discount Income

Commission/Fee/Discount Income is accounted as and when accrued and realizable upon raising of bills.

V Taxes on Income:

Tax expenses comprise of current and deferred tax.

A Current Tax:

- a) Current tax is measured at the amount expected to be paid on the basis of reliefs and deductions available in accordance with the provision of the Income Tax Act, 1961. The Tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.
- b) Current tax items are recognized in co-relation to the underlying transaction either in Statement of Profit and Loss, OCI or directly in equity.

B Deferred Tax:

- a) Deferred Tax is provided using the liabilities method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.
- b) Deferred tax liabilities are recognized for all taxable temporary differences.
- c) Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carry forward of unused tax credits and unused tax losses can be utilized.
- d) The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognised to the extent it has become probable that future taxable profits will allow the deferred tax assets to be recovered.
- e) Deferred tax assets and liabilities are measured at the tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date and are expected to apply in the year when the asset is realized or the liability is settled.
- f) Deferred tax items are recognised in co-relation to the underlying transaction either in OCI or directly in equity.
- g) Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

VI Property, Plant and Equipment:

- A Property, Plant and Equipment are stated at historical cost of acquisition/construction less accumulated depreciation and impairment loss. Historical cost (Net of Input tax credit received/receivable) includes related expenditure and pre-operative & project expenses for the period up to completion of construction/assets are ready for its intended use, if the recognition criteria are met and the present value of the expected cost for the decommissioning of an assets after its use is included in the cost of the respective asset, if the recognition criteria for a provision are met. The foreign exchange loss or gain attributable to Property, Plant and Equipment is adjusted to the cost of respective Property, plant and Equipment. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits Relatedd with the item will flow to the company and the cost of the item can be measured reliably.

The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance costs are charged to the statement of profit and loss during the reporting period in which they are incurred, unless they meet the recognition criteria for capitalization under Property, Plant and Equipment.

On transition to Ind AS, the company has elected to continue with the carrying value of all its Property, Plant and Equipment recognised as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the Property, Plant and Equipment

- B Depreciation on tangible assets is provided on "straight line method" based on the useful lives as prescribed under Schedule II of the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. However, management reviews the residual values, useful lives and methods of depreciation of Property, Plant and Equipment at each reporting period end any revision to these is recognised prospectively in current and future periods.

- C Depreciation on additions/disposal of the fixed assets during the year is provided on pro-rata basis according to the period during which assets are used.

- D An item of Property, Plant and Equipment and any significant part initially recognised is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset [calculated as the difference between the net disposal proceeds and the carrying amount of the asset] is included in the Statement of profit and loss when the asset is recognised.

VII Borrowing Costs:

- A Borrowing costs consist of interest and other borrowing costs that are incurred in connection with the borrowing of funds. Other borrowing costs include ancillary charges at the time of acquisition of an financial liability, which is recognised as per EIR method. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

- B Borrowing costs that are directly attributable to the acquisition/construction of a qualifying asset are capitalized as part of the cost of such assets, up to the date the assets are ready for their intended use.

VIII Cash and Cash Equivalents:

Cash and Cash Equivalents for the purpose of Cash Flow Statement comprise cash and cheque in hand, bank balances, demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments.

IX Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognised when the Company has a present obligation as a result of past events and it is probable that the outflow of resources will be required to settle the obligation and in respect of which reliable estimates can be made. A disclosure for contingent liability is made when there is a possible obligation, that may, but probably will not require an outflow of resources, when there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision/disclosure is made. Provision and contingencies are reviewed at each balance sheet date and adjusted to reflect the correct management estimates. Contingent assets are not recognised but are disclosed separately in financial statements.

X Employees Benefits:

Liability for gratuity and leave encashment is being provided based upon the certificate of Actuary at the end of the year.

XI Financial Instruments:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Financial assets include cash and cash equivalents, trade and other receivables, investments in securities and other eligible current and non-current assets.

At initial recognition, all financial assets are measured at fair value. Such financial assets are subsequently classified under one of the following three categories according to the purpose for which they are held. The classification is reviewed at the end of each reporting period.

Financial Assets at Amortized Cost :- At the date of initial recognition, are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates. These financial assets are intended to be held until maturity. Therefore, they are subsequently measured at amortized cost by applying the Effective Interest Rate (EIR) method to the gross carrying amount of the financial asset. The EIR amortization is included as interest income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Financial Assets at Fair value through Other Comprehensive Income :- At the date of initial recognition, are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates, as well as held for selling. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognised in Other Comprehensive Income (OCI). Interest income calculated using the effective interest rate (EIR) method, impairment gain or loss and foreign exchange gain or loss are recognised in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from the OCI to Statement of Profit and Loss.

Financial Assets at Fair value through Profit or Loss :- At the date of initial recognition, Financial assets are held for trading, or which are measured neither at Amortized Cost nor at Fair Value through OCI. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognised in the Statement of Profit and Loss.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for DE recognition under Ind AS109.

Financial Liabilities

Financial liabilities include long-term and short-term loans and borrowings, trade and other payables and other eligible current and non-current liabilities.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and other payables, net of directly attributable transaction costs. After initial recognition, financial liabilities are classified under one of the following two categories:

Financial Liabilities at Amortized Cost - After initial recognition, such financial liabilities are subsequently measured at amortized cost by applying the Effective Interest Rate (EIR) method to the gross carrying amount of the financial liability. The EIR amortization is included in finance expense in the profit or loss.

Financial liabilities at Fair Value through Profit or Loss - which are designated as such on initial recognition, or which are held for trading. Fair value gains/ losses attributable to changes in own credit risk is recognised in OCI. These gains/ loss are not subsequently transferred to Statement of Profit and Loss. All other changes in fair value of such liabilities are recognised in the Statement of Profit and Loss.

The Company derecognizes a financial liability when the obligation specified in the contract is discharged, cancelled or expires.

Note:2- Notes to Accounts

I CONTINGENT LIABILITIES NOT PROVIDED FOR

(Figures In Thousand)

		F.Y. 2019-20	F.Y. 2018-19
(i)	Claims against the company not acknowledged as debts	Nil	Nil
(ii)	Estimated amounts of	Nil	Nil

II Retirement Benefits

Liability for Gratuity and Leave encashment is being provided based upon the certificate of Acturian at the end of the year.

III Managerial Remuneration

(Figures In Thousand)

Particulars	F.Y. 2019-20	F.Y. 2018-19
Remuneration to Directors	Nil	Nil

IV Auditor's Remuneration:

(Figures In Thousand)

	F.Y. 2019-20	F.Y. 2018-19
Statutory Audit Fee	175.00	175.00
Internal Audit Fee	25.00	25.00
Secretarial Audit Fee	23.00	23.00

V The deferred tax assets comprises of the following:

(Figures In Thousand)

	F.Y. 2019-20	F.Y. 2018-19
i. Deferred Tax Liability		
Related to Fixed Assets (A)	42.92	65.19
ii. Deferred Tax Assets		
Disallowance under Income Tax Act, 1961 (B)	700.50	693.33
Net Deferred Tax Assets/(Liabilities)	657.58	628.13

VI Segment Reporting (AS-17)

The identification of Business segment is done in accordance with the system adopted for internal financial reporting to the board of directors and management structure. The company deals only in Pharmaceutical product which in the context of Accounting Standard 17 is considered the only primary business segment. Hence no segmental reporting is required.

VII Earning Per Share	F.Y. 2019-20	F.Y. 2018-19
Profit / (Loss) after Tax as per Profit & Loss Account (Rs. in Thousand)	6,042.71	13,881.95
Number of Equity Share	3,000,300.00	3,000,300.00
Earnings/ (Loss) Per Shares	2.01	4.63

VIII In view of the insufficient information, the amount due to small scale industrial undertaking can not be ascertained which are outstanding for than 45 days as on 31st March 2020.

Balance appearing under the head Current Liabilities, Sundry Debtors, Sundry Creditors and Loans & Advances are subject to reconciliation and confirmations and have been shown as per the value appearing in the books of accounts. In view of the management the debtors and other receivables are good for recovery unless they are provided for otherwise.

(Figures In Thousand)		
IX Amount remitted in foreign currency	F.Y. 2019-20	F.Y. 2018-19
(a) Expenditure in foreign currency	Nil	Nil
(b) Value of imports on CIF basis	Nil	Nil
(c) <u>Earning in foreign currency</u>		
- Gain due to Foreign fluctuation	937.86	1,309.21
- Export of good	448,252.97	611,443.85

XI Dividend to Shareholders

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividends are approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend payable and corresponding tax on dividend distribution is recognised directly in equity.

XII Terms/Rights attached to equity shares

- The company has only one class of equity shares with voting rights having a par value of Rs. 10 per share. The company declares & pays dividend in Indian Rupees. Any interim dividend paid is recognised on the approval by Board of Directors. During the year ended 31st March 2020, the amount of dividend per equity share recognised as distribution to equity shareholders is Nil (Pr. Year Nil), which includes interim dividend of Nil (Pr. Year Nil) per equity share.

- 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 numbers of equity shares held by shareholders.

XII Related party disclosures as required by Ind As-24 are given below:

Directors	DIN
Brij Raj Gupta	00974969
Brij Bala Gupta	00975261
Subhash Chander	06952570
Kanta Takkar	07988719

Companies/Firms in which Directors & their relative are interested:-

S. No.	Name of Concern	Relationship
1	M/s Brawn Laboratories Limited	Related company by virtue of Common Directors
2	M/s Overseas Laboratories (P) Limited	Related company by virtue of Common Directors
3	M/s Brawn Cosmetics and Herbals Pvt Ltd	Related company by virtue of Common Directors
4	M/s Therapeutic Health Care Private Limited	Related company by virtue of Common Directors
5	M/s Lucid Healthcare Private Limited	Related company by virtue of Common Directors
6	M/s Delhi Pharma	Related firm by virtue of relative of Director is proprietor
7	M/s Fine Pharmachem	Related firm by virtue of relative of Director is proprietor
8	M/s South Delhi Medicos	Related firm by virtue of relative of Director is proprietor
9	M/s Sai Corporation	Related firm by virtue of relative of Director is proprietor
10	M/s Brawn Herbals	Related firm by virtue of relative of Director is proprietor

Transaction with related parties:

Sr No	Name of Company/Firm	Nature of Transaction	FY 2019-20	FY 2018-19
1	M/s Brawn Laboratories Ltd	Sales/Purchases/Discount Income	480,333.33	661,846.18
2	M/s South Delhi Medicos	Sales	84.31	0.60
3	M/s South Delhi Medicos	Purchase/(Sales Return)	11.96	(28.30)
4	M/S Brawn Cosmetics and Herbals Pvt. Ltd.	Purchase	2,786.98	6,148.95
5	Mrs. Paridhi Gupta	Salary & Professional Fee	10,166.99	8,599.92
6	Mrs. Garima Gupta	Salary & Professional Fee	1,700.00	3,799.92

XIII In the last quarter of the financial year 2019-20, the coronavirus disease emerged as global pandemic resulting in many governments declaring lockdown in the last fortnight of March 2020 forcing citizens to stay indoors and disruption of economic activities globally. Being marketers of generic pharmaceuticals and hence provider of essential services and exempted from lockdown, the marketing activities of the company continued with initial challenges such as shortage of manpower, availability of materials and disruption in the logistic and supply chain. Management believes that it has taken into account all the possible impact of known events arising from Covid-19 pandemic in the preparation of financial statements. However, the impact assessment of Covid-19 is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.

XIV Previous year's figures have been regrouped/rearranged wherever necessary to make them comparable with current year figures.

For Rajiv Udai & Associates
Chartered Accountants
Firm Registration No. 018764N

sd/-
Rajeev Jain
Partner
M.No. 099767
UDIN:20099767AAAAEA8848

Place: Delhi
Date: 18.06.2020

Note 3: Property, plant and equipment

(Figures In Thousands)

	Office Equipment	Computer, Printer & Software	Mobile/Telephone Instruments	Vehicles	Air-conditioners & Refrigerators	Total
	19.00%	31.67%	19.00%	9.50%	19.00%	
Gross Carrying Amount as on 31st Mar 2018	22.35	266.05	34.80	3,174.44	84.91	3,582.55
Depreciation Disposal/Adjustments Charges for the year	- 4.25	- 0.60	- 6.61	301.57	- 3.36	- 316.39
As on 31st Mar 2018	13.45	250.40	21.22	1,126.15	60.33	1,354.47
<u>Net Block</u>						
As on 31st March 2018	8.90	15.65	13.58	2,048.29	24.59	2,228.09
Addition Disposal/Adjustments	- -	- -	8.50 -	- -	- -	8.50 -
Gross Carrying Amount as on 31st Mar 2019	22.35	266.05	43.30	3,174.44	84.91	3,591.05
Depreciation Disposal/Adjustments Charges for the year	- 4.25	- 0.98	- 8.09	301.57	- 4.90	- 319.79
As on 31st Mar 2019	17.70	251.38	29.32	1,427.73	65.22	1,674.26
<u>Net Block</u>						
As on 31st March 2019	4.65	14.67	13.98	1,746.71	19.69	1,916.78
Addition Disposal/Adjustments	- -	- -	4.50 -	- -	184.03 -	188.53 -
Gross Carrying Amount as on 31st Mar 2020	22.35	266.05	47.80	3,174.44	268.94	3,779.58
Depreciation Disposal/Adjustments Charges for the year	- 3.53	- 1.37	- 8.98	301.57	- 31.90	- 347.35
As on 31st Mar 2020	21.23	252.75	38.30	1,729.30	97.12	2,021.61
<u>Net Block</u>						
As on 31st March 2020	1.12	13.30	9.50	1,445.14	171.82	1,757.96

(Figures In Thousands)

Note 4: Financial assets

4(a) Trade Receivable

	31-Mar-20	31-Mar-19
Trade receivable	158,300.12	169,246.59
Less: Allowances for doubtful receivable	-	-
Total receivable	158,300.12	169,246.59
Current portion	149,956.19	164,577.37
Non-current portion	8,343.94	4,669.22

Break up of trade receivable

	31-Mar-20	31-Mar-19
Secured, considered good	158,300.12	169,246.59
Unsecured, considered good	-	-
Doubtful	-	-
Total	158,300.12	169,246.59
Less: Allowances for doubtful receivable	-	-
Total trade receivable	158,300.12	169,246.59

4(b) Loans and Advances

	31-Mar-20		31-Mar-19	
	Current	Non-current	Current	Non-current
Staff Loans	133.72	-	460.50	-
Total Loans & Advances	133.72	-	460.50	-

4(c) Other financial assets

	31-Mar-20		31-Mar-19	
	Current	Non-current	Current	Non-current
Security Deposit	1,265.00	-	1,265.00	-
Total other financial assets	1,265.00	-	1,265.00	-

Note 5: Other assets

	31-Mar-20		31-Mar-19	
	Current	Non-current	Current	Non-current
Imprest to staff	9.68	-	17.65	-
Deposits or Balances with Sales Tax/GST Authorities	13,355.12	-	18,860.67	-
Advance to Suppliers	375.68	-	617.17	-
Prepaid Expenses	4.84	-	20.58	-
Duty DrawBack Receivable	3,207.77	-	2,483.22	-
DEPB Receivable	8,209.98	-	5,333.93	-
Total other assets	25,163.08	-	27,333.23	-

(Figures In Thousands)

Note 6: Deferred Tax

	31-Mar-20	31-Mar-19
1) DTA/DTL On account of temporary difference of depreciation		
WDV of Fixed Assets as per Companies Act	1,757.96	1,916.78
WDV of Fixed Assets as per Income Tax Act	1,603.69	1,682.44
Temporary Difference	154.27	234.34
Deferred Tax Liability	42.92	65.19

	31-Mar-20	31-Mar-19
2) DTA On account of temporary differences of Provision of gratuity & Leave Ench.		
Provision for gratuity	1,608.97	1,051.05
Provision for Leave encashment	218.30	486.94
Provision for bonus	690.71	954.19
Temporary Difference	2,517.97	2,492.19
Deferred Tax Asset	700.50	693.33
Net Deferred Tax Assets	657.58	628.13
Deferred Tax assets already kept	628.13	800.01
(Provisions)/written back as at 31.03.2020	29.45	(171.88)

Note 7: Current tax assets (Net)

	31-Mar-20	31-Mar-19
Advance Income Tax/TDS	7,700.00	15,486.01
Total current tax assets (Net)	7,700.00	15,486.01

Note 8: Cash and cash equivalents

	31-Mar-20	31-Mar-19
Cash in Hand	407.55	478.27
In current accounts with banks	3,591.15	4,966.77
Bank deposit Accounts with more than 3 months maturity	-	-
Total cash and cash equivalents	3,998.71	5,447.04

(Figures In Thousands)

Note 9: Inventories

	31-Mar-20	31-Mar-19
Traded goods	3,888.51	3,386.03
Total inventories	3,888.51	3,386.03

Note 10: Financial liabilities

10(a) Trade Payable

	31-Mar-20	31-Mar-19
Trade payable	1,039.41	1,114.27
Due from Related Parties	84,880.17	102,488.65
Total payable	85,919.59	103,602.92
Current portion	85,863.96	103,480.97
Non-current portion	55.63	121.95

10(b) Other financial liabilities

	31-Mar-20		31-Mar-19	
	Current	Non-current	Current	Non-current
Expenses Payable	4,835.98	-	4,305.49	-
Unclaimed Dividend	1,691.00	-	1,691.00	-
Security Deposit	2,650.00	-	2,650.00	-
Total other financial liabilities	9,176.97	-	8,646.48	-

Note 11: Other liabilities

	31-Mar-20		31-Mar-19	
	Current	Non-current	Current	Non-current
- Statutory remittances				
Contributions towards Employee Welfare	216.32	-	258.92	-
Direct / Indirect Taxes	681.04	-	720.04	-
- Advances from customers	2,941.51	-	3,016.82	-
- Cheques issued but not yet presented	1,648.96	-	3,602.66	-
- Employees Balances Pending Settlements	46.98	-	174.00	-
Total other liabilities	5,534.81	-	7,772.44	-

Note 12: Provisions

	31-Mar-20		31-Mar-19	
	Current	Non-current	Current	Non-current
Employee Benefits				
- Compensated Absents*	14.12	204.17	33.95	452.99
- Gratuity*	59.71	1,549.26	53.54	997.51
- Bonus	925.29	-	1,351.36	-
- Others	-	-	-	-
Total Provisions	999.12	1,753.43	1,438.85	1,450.50

* Provisions have been made on the basis of certificates obtained from Actuary

Note 13: Current tax liabilities

	31-Mar-20	31-Mar-19
Provision for Income Tax	6,866.64	15,686.69
Total current tax liabilities	6,866.64	15,686.69

(Figures In Thousands)

Note 14: Revenue from Operation

	31-Mar-20	31-Mar-19
Domestic	47,527.40	39,799.17
Export	448,252.97	611,443.85
Other Operating Income (Comprises of Commission, Discount & Duty Draw Back)	381.69	546.71
Revenue from operation	496,162.06	651,789.73

Note 15: Other Income

	31-Mar-20	31-Mar-19
Short & Excess	-	0.08
Miscellaneous Income	1.46	15.05
Gain on Foreign Exchange Fluctuation	937.86	1,309.21
Discount Income	10.07	5.12
Previous Years Unclaimed Bonus written back	-	3,194.26
Previous Years Provisions made written back	716.63	2,854.69
Interest on Income Tax Refund	42.64	-
Other Income	1,708.66	7,378.40

Note 16: Purchase of stock in trade

	31-Mar-20	31-Mar-19
Purchases	421,531.37	584,891.98
Purchase	421,531.37	584,891.98

Note 17: (Increase)/Decrease in inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

	31-Mar-20	31-Mar-19
Opening Stock		
Finished Goods	3,386.03	3,476.02
(A)	3,386.03	3,476.02
Closing Stock		
Finished Goods	3888.513	3386.026
(B)	3,888.51	3,386.03
Net (Increase) / Decrease in Stocks (A-B)	(502.49)	89.99

Note 18: Employee Benefit Expenses

	31-Mar-20	31-Mar-19
Salary, Bonus and Allowances	27,736.82	27,833.74
Gratuity	384.02	297.17
Leave Encashment	109.39	184.85
Contribution to Provident and Other Funds	1,286.12	1,440.41
Staff Welfare Expenses	107.854	100.58
Incentives	1,203.38	392.73
Total employee benefit expenses	30,827.59	30,249.48

Note 19: Finance Cost

	31-Mar-20	31-Mar-19
Interest on Securities Deposits	236.24	271.82
Bank Charges	258.05	341.92
Total finance cost	494.28	613.74

(Figures In Thousands)

Note 20: Other Expenses

	31-Mar-20	31-Mar-19
Advertise Expenses	167.52	182.56
AGM Expenses	24.17	27.02
Audit Fees	200.00	230.00
Breakage & Expiry Expenses	2,883.69	757.66
Business Promotion Expenses	665.44	1,841.99
Commission Expenses	2,910.98	2,155.34
Computer Maintenance Expenses	-	7.46
Conveyance Expenses	238.07	168.42
Cylinder Charges	10.00	20.70
Electricity & Diesel Expenses	532.13	521.00
Freight & Cartage Inward	187.18	231.38
Freight & Cartage Outward (Net)	881.14	582.54
General Expenses	154.03	94.19
Discount Expenses	1.50	17.69
Insurance Expenses	169.52	214.51
Interest on Late Deposit of TDS & GST	30.72	90.20
Job Work	11,949.91	-
LD Charges	127.18	-
Legal & Professional Fees	1,999.26	3,069.68
Listing & Filing Fee	300.00	250.00
Office Expenses	39.79	381.98
Other Expenses	10.56	6.56
Packing Expenses	118.81	91.90
Postage & Communication Expenses	107.37	239.45
Printing & Stationary Expenses	285.96	443.89
Registration & Licence Fee	288.56	66.73
Rent, Rates & Taxes	2,964.00	3,606.88
Repair & Maintenance Expenses	428.55	173.74
Share Management Expenses	49.20	35.81
Subscription & Membership fees	4.00	20.17
Telephone Expenses	310.12	379.60
Travelling Expenses	5,283.10	5,399.68
Bad Debts Written Off	3.53	-
Meeting & Conference Expenses	387.60	275.44
Sample Expenses	2,832.54	3,290.50
Loading and Unloading Expenses	2.50	17.60
Water Expenses	8.47	6.25
Rate Difference of Tax	-	20.61
Tax Demands	418.35	30.47
Total other expenses	36,975.45	24,949.59

For Rajiv Udai & Associates
Chartered Accountants
Firm Registration No. 018764N

sd/-
Rajeev Jain
Partner
M.No. 099767
UDIN:20099767AAAAEA8848

Place: Delhi
Date: 18.06.2020

For and on behalf of Board of Directors

sd/-
Brij Raj Gupta
(Director)
DIN No. 00974969

sd/-
Rati Garg
(Chief Financial Officer)

sd/-
Brij Bala Gupta
(Director)
DIN No. 00975261

sd/-
Priyanka Sharma
(Company Secretary)