

# B S R & Associates LLP

Chartered Accountants

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## INDEPENDENT AUDITORS' REPORT

**To the Members of Indegene Private Limited**

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

### Opinion

We have audited the standalone financial statements of Indegene Private Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2020, the standalone statement of profit and loss, and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

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

### Basis for Opinion

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

### Information Other than the Standalone Financial Statements and Auditors' Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Director's Report, but does not include the standalone financial statements and our auditors' report thereon.

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

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



## **B S R & Associates LLP**

### **Indegene Private Limited Independent Auditors' Report (continued)**

#### **Management's and Board of Directors' Responsibility for the Standalone Financial Statements**

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Management and Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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

## **B S R & Associates LLP**

### **Indegene Private Limited Independent Auditors' Report (continued)**

#### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements (continued)**

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The standalone balance sheet, the standalone statement of profit and loss, and standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act.



## **B S R & Associates LLP**

**Indegene Private Limited**

**Independent Auditors' Report (continued)**

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

- e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 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 with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its standalone financial statements - Refer Note 30 to the standalone financial statements;
  - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
  - iv. The disclosures regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended 31 March 2020.
- (C) With respect to the matter to be included in the Auditors' Report under section 197(16):

The Company is a private limited company under the definition of the Act, hence the provisions of Section 197 read with Schedule V to the Act is not applicable to the Company.

*for B S R & Associates LLP*

Chartered Accountants

Firm's Registration No: 116231W/W100024



**Siddhartha Sharma**

*Partner*

Membership No. 118756

UDIN: 20118756AAAABP9712

Place: Bengaluru

Date: 28 September 2020

## **B S R & Associates LLP**

### **Indegene Private Limited**

#### **Annexure A to the Independent Auditors' Report**

The Annexure referred to in paragraph 1 in 'Report on Other Legal and Regulatory Requirements' of the Independent Auditors' Report to the members of Indegene Private Limited ("the Company") on the standalone financial statements for the year ended 31 March 2020, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
  
(b) The Company has a regular programme of physical verification of its property, plant and equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain property, plant and equipment were physically verified during the year. No material discrepancies were noticed on such verification.  
  
(c) The Company does not own any immovable property. Accordingly, paragraph 3(i)(c) of the Order is not applicable to the Company.
- (ii) The Company is a global provider of solutions consisting of analytics, technology and commercial, medical, regulatory and safety services to life-science and healthcare organizations. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.
- (iii) The Company has granted unsecured loans to three companies covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act").
  - (a) In our opinion and according to the information and explanations given to us, the terms and conditions on which the loans had been granted to the companies listed in the Register maintained under Section 189 of the Act are not prima facie prejudicial to the Company's interest.
  - (b) The schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal and payment of interest are regular as per the terms. Out of the three loans granted to the companies listed in the Register maintained under Section 189 of the Act, two loans have been fully repaid during the current year.
  - (c) There are no amounts of loans granted to companies, firms, limited liability partnerships or other parties listed in the register maintained under section 189 of the Act which are overdue for more than ninety days as at 31 March 2020. During the earlier years, due to the adverse business performance of a subsidiary company, the outstanding loan was fully provided for.



## B S R & Associates LLP

### Indegene Private Limited

### Independent Auditors' Report (continued)

### Annexure A to the Independent Auditors' Report (continued)

- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 186 of the Act, with respect to the loans given, investments made, guarantees and security given. According to the information and explanations given to us, there are no loans, investments, guarantees and security given in respect of which provisions of section 185 of the Act are applicable. Accordingly, the provisions of clause 3(iv) of the Order with respect to Section 185 of the Act is not applicable to the Company.
- (v) According to the information and explanations given to us the Company has not accepted any deposits from the public within the meaning/the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) According to the information and explanation given to us, as per Companies (Cost records and Audit) Rules, 2014, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, service tax, income-tax, goods and service tax and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. As explained to us, the Company did not have any dues on account of excise duty, duty of customs, sales tax and value added tax.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, service tax, income-tax, goods and service tax and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues in respect of service tax and goods and service tax which have not been deposited with the appropriate authorities on account of any dispute. The following dues of income tax have not been deposited by the Company on account of disputes:

| Nature of the statute | Nature of dues           | Amount in Rs.             | Period to which it relates | Forum where dispute is pending |
|-----------------------|--------------------------|---------------------------|----------------------------|--------------------------------|
| Income Tax Act, 1961  | Transfer pricing matters | 3,357,140<br>*(1,700,000) | AY 2012-13                 | Income Tax Appellate Tribunal  |
| Income Tax Act, 1961  | Income tax               | 1,232,225                 | AY 2018-19                 | CIT Appeals                    |

\* Amounts mentioned in parenthesis represent payments made under protest.



## **B S R & Associates LLP**

### **Indegene Private Limited Independent Auditors' Report (continued)**

#### **Annexure A to the Independent Auditors' Report (continued)**

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans to the banks. The Company did not have any outstanding dues to any financial institution, government and debenture holders.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loan during the year.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of the audit.
- (xi) The Company is a private limited company and accordingly the provision of section 197 read with schedule V of the Act are not applicable. Accordingly, paragraph 3(xi) of the Order is not applicable to the Company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and the details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards. The Company is a private limited company. Hence, the provisions of section 177 is not applicable to the Company.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records the Company, the Company has not entered into non-cash transactions with directors or persons connected with him under the provisions of section 192 of the Act. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.



## **B S R & Associates LLP**

**Indegene Private Limited**  
**Independent Auditors' Report (continued)**

### **Annexure A to the Independent Auditors' Report (continued)**

- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, Paragraph 3(xvi) of the Order is not applicable to the Company.

*for* **B S R & Associates LLP**

Chartered Accountants

Firm's Registration No: 116231W/W100024



**Siddhartha Sharma**

*Partner*

Membership No. 118756

UDIN: 20118756AAAABP9712

Place: Bengaluru

Date: 28 September 2020



## **B S R & Associates LLP**

**Annexure B to the Independent Auditors' report on the standalone financial statements of Indegene Private Limited for the period ended 31 March 2020.**

**Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013**

(Referred to in paragraph (2(A)f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

### **Opinion**

We have audited the internal financial controls with reference to standalone financial statements of Indegene Private Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to standalone financial statements 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 (the "Guidance Note").

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

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. 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 with reference to standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.



## **B S R & Associates LLP**

### **Annexure B to the Independent Auditors' report on the standalone financial statements of Indegene Private Limited for the period ended 31 March 2020 (continued)**

#### **Auditors' Responsibility (continued)**

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

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

#### **Meaning of Internal Financial controls with Reference to Standalone Financial Statements**

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements include 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.



## **B S R & Associates LLP**

**Annexure B to the Independent Auditors' report on the standalone financial statements of Indegene Private Limited for the period ended 31 March 2020 (continued)**

### **Inherent Limitations of Internal Financial controls with Reference to Standalone Financial Statements**

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

*for* **B S R & Associates LLP**

Chartered Accountants

Firm's Registration No: 116231W/W100024



**Siddhartha Sharma**

*Partner*

Membership No. 118756

UDIN: 20118756AAAABP9712

Place: Bengaluru

Date: 28 September 2020

**Indegene Private Limited**

(All amounts in Indian rupees, except share data and where otherwise stated)

**Balance Sheet**

|  | Note | As at<br>31 March 2020 | As at<br>31 March 2019 |
|--|------|------------------------|------------------------|
| <b>EQUITY AND LIABILITIES</b>                    |      |                        |                        |
| <b>Shareholders' funds</b>                       |      |                        |                        |
| Share capital                                    | 3    | 788,733,956            | 788,731,860            |
| Reserves and surplus                             | 4    | 2,376,809,602          | 1,584,450,185          |
|  |      | <b>3,165,543,558</b>   | <b>2,373,182,045</b>   |
| <b>Share application money pending allotment</b> | 5    | 5,100                  | -                      |
| <b>Non-current liabilities</b>                   |      |                        |                        |
| Long-term provisions                             | 6    | 115,545,512            | 98,461,102             |
|  |      | <b>115,545,512</b>     | <b>98,461,102</b>      |
| <b>Current liabilities</b>                       |      |                        |                        |
| Short-term borrowings                            | 7    | 214,040,985            | 275,208,340            |
| Trade payables*                                  | 8    | 341,152,503            | 246,771,051            |
| Other current liabilities                        | 9    | 166,965,092            | 156,697,821            |
| Short-term provisions                            | 10   | 95,272,584             | 69,055,460             |
|  |      | <b>817,431,164</b>     | <b>747,732,672</b>     |
| <b>TOTAL</b>                                     |      | <b>4,098,525,334</b>   | <b>3,219,375,819</b>   |
| <b>ASSETS</b>                                    |      |                        |                        |
| <b>Non-current assets</b>                        |      |                        |                        |
| Fixed assets                                     |      |                        |                        |
| Property, Plant and Equipment                    | 11   | 89,643,780             | 80,040,729             |
| Intangible assets                                |      | 760,131                | 1,705,877              |
| Non-current investments                          | 12   | 2,514,153,113          | 1,340,734,999          |
| Deferred tax assets, net                         | 29   | 44,157,068             | 26,574,104             |
| Long-term loans and advances                     | 13   | 268,263,027            | 747,540,626            |
|  |      | <b>2,916,977,119</b>   | <b>2,196,596,335</b>   |
| <b>Current assets</b>                            |      |                        |                        |
| Trade receivables                                | 14   | 597,262,783            | 501,872,845            |
| Cash and bank balances                           | 15   | 359,382,987            | 152,235,910            |
| Short-term loans and advances                    | 16   | 106,777,445            | 82,682,605             |
| Other current assets                             | 17   | 118,125,000            | 285,988,124            |
|  |      | <b>1,181,548,215</b>   | <b>1,022,779,484</b>   |
| <b>TOTAL</b>                                     |      | <b>4,098,525,334</b>   | <b>3,219,375,819</b>   |

**Significant accounting policies**

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\*Trade Payable include amount due to micro and small enterprises Rs. 2,008,944 (2019: Rs.1,076,764) (refer note 34)

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

As per our report of even date attached

for **B S R & Associates LLP**

Chartered Accountants

Firm's registration number: 116231W/W-100024

for and on behalf of the Board of Directors of  
**Indegene Private Limited**

**Siddhartha Sharma**  
Partner

Membership number: 118756

Place: Bengaluru

Date: 28 September 2020


**Manish Gupta**  
Chief Executive Officer and Director

DIN: 00219273

Place: Bengaluru

Date: 28 September 2020


**Sanjay S Parikh**  
Director

DIN: 00219278

Place: Bengaluru

Date: 28 September 2020


**Suhas Prabhu**  
Senior Vice President - Finance

Place: Bengaluru

Date: 28 September 2020


**Srishti Kaushik**  
Company Secretary

Place: Bengaluru

Date: 28 September 2020

**Indegene Private Limited**

(All amounts in Indian rupees, except share data and where otherwise stated)

| Statement of Profit and Loss                  | Note | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|---|------|-------------------------------------|-------------------------------------|
| <b>INCOME</b>                                 |      |                                     |                                     |
| Revenue from sale of services (refer note 24) |      | 3,578,489,420                       | 2,822,190,778                       |
| Other income                                  | 18   | 168,940,220                         | 118,647,082                         |
| <b>Total revenue</b>                          |      | <b>3,747,429,640</b>                | <b>2,940,837,860</b>                |
| <b>EXPENSES</b>                               |      |                                     |                                     |
| Employee benefits expense                     | 19   | 2,035,933,071                       | 1,626,739,675                       |
| Finance costs                                 | 20   | 11,912,127                          | 13,965,950                          |
| Depreciation and amortisation expense         | 11   | 43,466,534                          | 40,029,735                          |
| Other expenses                                | 21   | 741,918,657                         | 669,524,097                         |
| <b>Total expenses</b>                         |      | <b>2,833,230,389</b>                | <b>2,350,259,457</b>                |
| <b>Profit before tax</b>                      |      | <b>914,199,251</b>                  | <b>590,578,403</b>                  |
| <b>Tax expense</b>                            |      |                                     |                                     |
| Current tax                                   |      | 162,383,673                         | 123,466,496                         |
| MAT credit (entitlement)/utilised             |      | (8,421,564)                         | (34,722,565)                        |
| Deferred tax (credit)                         | 29   | (17,582,964)                        | (5,859,818)                         |
|   |      | <b>136,379,145</b>                  | <b>82,884,113</b>                   |
| <b>Profit for the year</b>                    |      | <b>777,820,106</b>                  | <b>507,694,290</b>                  |
| <b>Earnings per share</b>                     |      |                                     |                                     |
| (Equity shares of par value Rs. 2 each)       | 26   |                                     |                                     |
| Basic   |      | 456.37                              | 284.46                              |
| Diluted                                       |      | 421.90                              | 271.82                              |
| <b>Weighted average number of shares</b>      |      |                                     |                                     |
| Basic   |      | 1,566,635                           | 1,563,850                           |
| Diluted                                       |      | 1,843,609                           | 1,867,726                           |

**Significant accounting policies**

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

As per our report of even date attached

for **BSR & Associates LLP**

Chartered Accountants

Firm's registration number: 116231W/W-100024

for and on behalf of the Board of Directors of  
**Indegene Private Limited**

**Siddhartha Sharma**  
Partner

Membership number: 118756

Place: Bengaluru

Date: 28 September 2020


**Manish Gupta**  
Chief Executive Officer and Director

DIN: 00219273

Place: Bengaluru

Date: 28 September 2020


**Sanjay S Parikh**  
Director

DIN: 00219278

Place: Bengaluru

Date: 28 September 2020


**Suhas Prabhu**  
Senior Vice President - Finance

Place: Bengaluru

Date: 28 September 2020


**Srishti Kaushik**  
Company Secretary

Place: Bengaluru

Date: 28 September 2020

**Indegene Private Limited**

(All amounts in Indian rupees, except share data and where otherwise stated)

**Cash flow statement**

|   | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|---|-------------------------------------|-------------------------------------|
| <b>Cash flows from operating activities</b>   |                                     |                                     |
| Profit before tax   | 914,199,251                         | 590,578,403                         |
| Adjustments :   |                                     |                                     |
| Depreciation and amortization expense   | 43,466,534                          | 40,029,735                          |
| Finance cost  | 11,912,127                          | 13,965,950                          |
| Interest income   | (42,465,894)                        | (55,578,886)                        |
| Employee stock based compensation expense   | 2,962,754                           | 1,519,864                           |
| Dividend received   | (102,888,801)                       | (5,688,623)                         |
| Provision for doubtful debts  | (123,822)                           | (4,281,400)                         |
| Realised foreign exchange gain on sale of Investment  | -                                   | (517,526)                           |
| Effect of exchange differences on restatement of monetary assets and liabilities            | 80,480,274                          | (51,382,018)                        |
| <b>Operating cash flow before working capital changes</b>                                   | <b>907,542,423</b>                  | <b>528,645,499</b>                  |
| Changes in trade receivables  | (74,524,923)                        | 167,956,537                         |
| Changes in loans and advances and other assets  | 24,200,023                          | (36,345,869)                        |
| Changes in trade payables and liabilities and provision                                     | 106,666,208                         | 101,524,866                         |
| <b>Cash generated from operating activities</b>   | <b>963,883,731</b>                  | <b>761,781,034</b>                  |
| Income tax paid   | (149,999,284)                       | (138,854,975)                       |
| <b>Net cash generated from operating activities</b>   | <b>813,884,447</b>                  | <b>622,926,059</b>                  |
| <b>Cash flows from investing activities:</b>  |                                     |                                     |
| Purchase of fixed assets  | (52,373,636)                        | (48,365,453)                        |
| Investment in subsidiaries  | (1,208,174,527)                     | (639,149,191)                       |
| Receipt from redemption of investment   | 34,756,413                          | -                                   |
| Sale of investment  | -                                   | 23,897,526                          |
| Loan to subsidiaries  | (36,246,860)                        | (15,987,015)                        |
| Repayment of loan by subsidiaries   | 488,846,816                         | -                                   |
| Interest received   | 138,995,013                         | 3,126,943                           |
| Investment in fixed deposit   | (10,718,965)                        | (37,792,672)                        |
| Proceeds from fixed deposit   | 3,126,840                           | 10,088,860                          |
| Dividend received   | 102,888,801                         | 5,688,623                           |
| <b>Net cash used in investing activities</b>  | <b>(538,900,105)</b>                | <b>(698,492,379)</b>                |
| <b>Cash flows from financing activities:</b>  |                                     |                                     |
| Proceeds from issue of shares   | 52,400                              | 191,650                             |
| Share application money received, pending allotment   | 5,100                               | -                                   |
| Finance cost  | (11,912,127)                        | (13,965,950)                        |
| Proceeds from term loan and cash credit facility  | 439,390,280                         | 672,322,263                         |
| Repayment of term loan and cash credit facility   | (506,318,362)                       | (506,318,362)                       |
| <b>Net cash generated from financing activities</b>   | <b>(78,782,709)</b>                 | <b>152,229,601</b>                  |
| Effect of exchange differences on translation of foreign currency cash and cash equivalents | 3,353,318                           | 2,813,487                           |
| <b>Net increase in cash and cash equivalents</b>  | <b>199,554,951</b>                  | <b>79,476,767</b>                   |
| Cash and cash equivalents at the beginning of the year                                      | 95,022,783                          | 15,546,016                          |
| <b>Cash and cash equivalents at the end of the year (refer note 15)</b>                     | <b>294,577,734</b>                  | <b>95,022,783</b>                   |

**Significant accounting policies**

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

As per our report of even date attached

for **BSR & Associates LLP**

Chartered Accountants



Firm's registration number: 116231W/W-100024

for and on behalf of the Board of Directors of  
**Indegene Private Limited**  
**Siddhartha Sharma**  
Partner

Membership number: 118756

Place: Bengaluru


Date: 28 September 2020

  
**Manish Gupta**  
Chief Executive Officer and Director  
DIN: 00219273  
Place: Bengaluru  
Date: 28 September 2020  
**Suhas Prabhu**  
Senior Vice President - Finance  
Place: Bengaluru  
Date: 28 September 2020  
**Sanjay S Parikh**  
Director

DIN: 00219278

Place: Bengaluru

Date: 28 September 2020

  
**Srishti Kaushik**  
Company Secretary  
Place: Bengaluru  
Date: 28 September 2020

## **Indegene Private Limited**

### **Notes forming part of the standalone financial statements**

(All amounts in Indian rupees, except share data and where otherwise stated)

#### **1 Background**

Indegene Private Limited ('the Company' or 'Indegene') was incorporated in the year 1998. The Company is a global provider of solutions consisting of analytics, technology and commercial, medical, regulatory and safety services to life science and healthcare organizations.

The Company is headquartered in Bangalore, India. It mainly operates from Special Economic Zone (SEZ) Unit in Bangalore. The Company has subsidiaries in United States of America (USA), Canada, Singapore, Switzerland and People's Republic of China, Japan and has branch in England.

#### **2 Significant accounting policies**

##### **a) Basis of preparation of standalone financial statements**

These standalone financial statements have been prepared in accordance with Generally Accepted Accounting Principles in India (GAAP), under the historical cost convention on an accrual basis of accounting. The GAAP comprises the mandatory Accounting Standards (AS) as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the relevant provisions of the Act and other pronouncements of the Institute of Chartered Accountants of India ('ICAI'). The accounting policies has been consistently applied by the Company except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The standalone financial statements are presented in Indian rupees and rounded off to the nearest rupee.

##### **b) Use of estimates**

The preparation of standalone financial statements in conformity with GAAP requires management to make estimates, judgment and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses and the disclosure of contingent assets and liabilities on the date of standalone financial statements. Estimates and underlying assumptions are reviewed on an ongoing basis. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

##### **c) Current-non-current classification**

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

###### **Assets**

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

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

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

###### **Liabilities**

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

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

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

##### **d) Fixed assets, depreciation and amortisation**

###### **Property, Plant and Equipment:**

Fixed assets are carried at cost of acquisition (including directly attributable costs such as freight, installation, etc.) or construction less accumulated depreciation and impairment loss, if any. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

###### **Intangible assets:**

Intangible assets are carried at cost less accumulated amortisation and impairment loss, if any. The cost of the intangible asset comprise its purchase price, including any duties and taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred, unless it is probable that such expenditure will enable the asset to generate future economic benefit in excess of its originally assessed standard of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.





**Indegene Private Limited****Notes forming part of the standalone financial statements (continued)**

(All amounts in Indian rupees, except share data and where otherwise stated)

**2 Significant accounting policies (continued)****d) Fixed assets, depreciation and amortisation (continued)***Depreciation and amortisation:*

Depreciation and amortisation on assets are provided on the straight line value method over the useful life of the asset estimated by the management and prescribed under part C of Schedule II of the Companies Act, 2013. Depreciation and amortisation for assets purchased / sold during the year is proportionately charged commencing from the date the asset is available to the Company for its use/ date the asset is sold.

| Description of assets     | Useful life (in years) |
|---------------------------|------------------------|
| Computers and accessories | 3                      |
| Furniture and fixtures*   | 3-5                    |
| Office equipments*        | 3-5                    |
| Leasehold improvements    | 3-5                    |
| Software                  | 3                      |

\* Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

Leasehold improvements are amortized over the lease term or the estimated useful life of assets whichever is shorter. The cost of leasehold land is amortised over the period of the lease on a straight line basis.

**e) Investments**

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. However, the part of long-term investments which is expected to be realised within 12 months after the reporting date is also shown under 'current assets' as 'current portion of long-term investments'.

Long-term investments (including the current portion thereof) are carried at cost less any other-than-temporary diminution in value, determined separately for each individual investment. Current investments are carried at the lower of cost and fair value. Any reduction in the carrying amount and any reversals of such reductions are charged or credited to the statement of profit and loss.

**f) Impairment**

The Company periodically assesses whether there is any indication that an asset or a group of assets comprising a cash generating unit may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

**g) Leases**

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased asset are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term. Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets acquired are capitalised at fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower.

**h) Revenue recognition****Services**

The Company recognizes revenue when the significant terms of the arrangement are enforceable, which is generally in the form of signed binding contracts, purchase order, statement of work and the collectability is reasonably assured. The Company derives revenues from providing comprehensive solutions to life-sciences and healthcare organisations.

Revenue, when arrangements are on a time and material basis, is recognized as the related services are performed. When services are performed through an indefinite number of repetitive acts over a specified period, revenue is recognized on a straight-line basis over the contractual period. Revenue from fixed price business process services are recognized on completion of each business activity. Revenue on rendering of services is recognized if it is not unreasonable to expect ultimate collection. License and maintenance revenue are recognized as revenue ratably over the stated contractual period.

Unbilled revenue represents earnings in excess of billings while unearned revenue represents billings in excess of earnings. Revenues are stated net of discounts and any applicable duties or taxes. Reimbursements of out of pocket expenses received from customers, where the significant risk and reward is with the Company, have been included as part of the revenue.

*Revenue from subsidiaries and related companies*

Revenue from subsidiaries and related companies is recognized as the services are rendered in line with the terms of the contract with them.

**Others**

Interest income is recognised on a time proportion basis taking into account the amount outstanding and interest rate applicable.

Dividend income is recognised when the right to receive payment is established.





**Indegene Private Limited**

**Notes forming part of the standalone financial statements (continued)**

(All amounts in Indian rupees, except share data and where otherwise stated)

**2 Significant accounting policies (continued)**

**i) Employee benefits**

*Short-term employee benefits*

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

*Other long term benefits*

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and future periods. That benefit is discounted to determine its present value. Remeasurements are recognised in Statement of profit or loss in the period in which they arise.

**Post-employment benefits**

*Defined contribution plan*

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

*Defined benefit plans*

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service cost and the fair value of any plan assets are deducted. The calculation of the Company's obligation is performed annually by a qualified actuary using the projected unit credit method. The Company recognizes all actuarial gains and losses arising from defined benefit plans immediately in the Statement of profit and loss. All expenses related to defined benefit plans are recognized in employee benefit expense in the Statement of profit and loss. When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognized in Statement of profit and loss on a straight-line basis over the average period until the benefits become vested. The Company recognizes gains and losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs.

*Compensated absences*

The employees can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method. Since the Company does not have rights to defer the leave availment by the employees, the entire obligation has been classified as 'current liabilities' under 'short-term provisions'.

*Termination benefits*

Termination benefits are recognised as an expense when, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

**j) Taxes**

*Income tax*

The current charge for income taxes is calculated in accordance with the relevant tax regulations. Income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income tax Act, 1961. MAT credit are being recognized if there is convincing evidence that the Company will pay normal tax after the tax holiday period and the resultant asset can be measured reliably. The excess tax paid under MAT provisions, being over and above regular tax liability, can be carried forward for a period of ten years from the year of recognition and is available for set off against future tax liabilities computed under regular tax provisions, to the extent of MAT liability.

*Deferred Tax*

Deferred tax charge or credit is recognised for the future tax consequences attributable to timing difference that result between the profit offered for income taxes and the profit as per the standalone financial statements. Deferred tax in respect of timing differences which originate during the tax holiday period but reverse after the tax holiday period is recognised in the year in which the timing difference originates. For this purpose, the timing differences which originate first are considered to reverse first. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, when there is a brought forward loss or unabsorbed depreciation under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain to be formatted.



**2 Significant accounting policies (continued)**

**k) Foreign exchange transactions and accounting for forward contracts**

Foreign exchange transactions are recorded using the exchange rates prevailing on the dates of the respective transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the Statement of profit and loss for the year.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date and the resultant exchange differences are recognised in the Statement of profit and loss. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

The standalone financial statements of the Company's foreign branches, being integral foreign operations in terms of paragraph 21 of AS-11 (Revised 2003), are translated into Indian Rupees as follows:

- Income and expense items are translated at the exchange rates as on the dates of the transactions;
- Fixed assets are translated using the exchange rate as at the date of purchase of the asset;
- All monetary assets and liabilities are translated at the closing rate.
- All resulting exchange differences are reflected in the statement of profit and loss.

The Company uses forward exchange contract to hedge its exposure to foreign exchange movements. The premium or discount arising at the inception of such a forward exchange contract is amortised as expense or income over the life of the contract. Exchange differences on such a contract is recognised in the Statement of profit and loss in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such a forward exchange contract is recognised as income or as expense for the period.

**l) Earnings per share**

In determining the earning per share, the net profit after tax allocable to the equity shareholders is divided by the weighted average number of shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued on the conversion of all potentially dilutive equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period unless issued at a later date. In computing dilutive earning per share, only potential equity shares that are dilutive i.e. which reduces earnings per share or increases loss per share are included.

**m) Provisions and contingencies**

A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

*Onerous Contracts*

A contract is considered as onerous when the expected economic benefits to be derived by the company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

*Contingencies*

Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. are recognised when it is probable that a liability has been incurred, and the amount can be estimated reliably.

**n) Contingent liabilities and contingent assets**

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the standalone financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

**o) Employee stock options schemes**

As prescribed by the Guidance Note on "Accounting for Employee Share-based Payments" issued by Institute of Chartered Accountants of India and related interpretations, the Company applies the intrinsic value based method of accounting to account for stock options issued by the Company to its employees. The excess of the market price of shares, at the date of grant of options under the Employee Stock Option Schemes of the Company, over the exercise price is regarded as employee compensation, and recognised on a proportionate basis over the period over which the employees would become unconditionally entitled to apply for the shares. Fair value of stock options have been determined based on Black Scholes Model.

**p) Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash on hand, demand deposits with banks and highly liquid investments with an original maturity of three months or less.

**q) Cash flow statement**

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

**r) Segment reporting**

Segments are identified based on the types of products and the internal organisation and management structure. The Company has identified business segment as its primary reporting segment with secondary information reported geographically. The Company's primary segments consists of Life sciences and healthcare. Segment assets and liabilities include all operating assets and liabilities. Segment results include all related income and expenditure. Unallocable represents assets and liabilities which relate to the company as a whole and are not allocated to segments.



**Indegene Private Limited****Notes forming part of the standalone financial statements (continued)**

(All amounts in Indian rupees, except share data and where otherwise stated)

**3 Share capital**

| Particulars  | As at<br>31 March 2020 | As at<br>31 March 2019 |
|--|------------------------|------------------------|
| <b>Authorised</b>  |                        |                        |
| 2,500,000 (2019: 2,500,000) equity shares of par value Rs.2 each       | 5,000,000              | 5,000,000              |
| 7,950,000 (2019: 7,950,000) preference shares of par value Rs.100 each | 795,000,000            | 795,000,000            |
|  | <b>800,000,000</b>     | <b>800,000,000</b>     |
| <b>Issued, subscribed and fully paid up</b>                            |                        |                        |
| 1,566,978 (2019: 1,565,930) equity shares of par value Rs. 2 each      | 3,133,956              | 3,131,860              |
| 7,856,000 (2019: 7,856,000) preference shares of par value Rs.100 each | 785,600,000            | 785,600,000            |
|  | <b>788,733,956</b>     | <b>788,731,860</b>     |

**A) Reconciliation of equity shares outstanding**

| Particulars                                      | As at 31 March 2020 |                  | As at 31 March 2019 |                  |
|--|---------------------|------------------|---------------------|------------------|
|  | Number of shares    | Amount           | Number of shares    | Amount           |
| Shares outstanding at the beginning of the year  | 1,565,930           | 3,131,860        | 1,562,097           | 3,124,194        |
| Shares issued during the year                    | 1,048               | 2,096            | 3,833               | 7,666            |
| <b>Shares outstanding at the end of the year</b> | <b>1,566,978</b>    | <b>3,133,956</b> | <b>1,565,930</b>    | <b>3,131,860</b> |

**Rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs 2 each. Each holder of equity shares is entitled to one vote per share. The holder of the equity shares shall be entitled to dividend as and when declared by the Company in proportion to the number of shares held.

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

**B) Reconciliation of preference shares outstanding**

| Particulars                                      | As at 31 March 2020 |                    | As at 31 March 2019 |                    |
|--|---------------------|--------------------|---------------------|--------------------|
|  | Number of shares    | Amount             | Number of shares    | Amount             |
| Shares outstanding at the beginning of the year  | 7,856,000           | 785,600,000        | 7,856,000           | 785,600,000        |
| <b>Shares outstanding at the end of the year</b> | <b>7,856,000</b>    | <b>785,600,000</b> | <b>7,856,000</b>    | <b>785,600,000</b> |

**Rights attached to preference shares:**

The Company has only one class of 8% optionally convertible cumulative redeemable preference shares (OCCPS) having a par value of Rs 100 each. The OCCPS holders has option to convert the OCCPS into equity shares or redeem as per the terms of the Shareholders Agreement which has been amended/renewed in the past and current year.

The holder of the OCCPS is entitled to dividend only if declared by the Company. The Company has not declared any dividend towards OCCPS since the issue. In the event of liquidation, the OCCPS holder's have a preference over the equity holders on repayment of dues in full including unpaid dividend.

**C) Details of shareholders having more than 5% interest in the Company**

| Name of shareholder       | As at 31 March 2020 |           | As at 31 March 2019 |           |
|---------------------------|---------------------|-----------|---------------------|-----------|
|                           | Number of shares    | % holding | Number of shares    | % holding |
| <i>Equity shares</i>      |                     |           |                     |           |
| Dr. Rajesh B.Nair         | 275,890             | 17.61%    | 275,890             | 17.62%    |
| Mr. Manish Gupta          | 208,345             | 13.30%    | 208,345             | 13.30%    |
| Sanjay S Parikh           | 144,938             | 9.25%     | 144,938             | 9.26%     |
| Nadathur Fareast Pte. Ltd | 752,986             | 48.05%    | 752,986             | 48.09%    |
| <i>Preference shares</i>  |                     |           |                     |           |
| Group Life Spring         | 7,856,000           | 100.00%   | 7,856,000           | 100.00%   |



**Indegene Private Limited****Notes forming part of the standalone financial statements (continued)**

(All amounts in Indian rupees, except share data and where otherwise stated)

**3 Share capital (continued)**

- D)** The Company has not issued any bonus shares, issued any shares for consideration other than cash and bought back shares during the period of 5 years immediately preceding the reporting date.

**E) Employee share-based compensation**

The Guidance Note on "Accounting for Employee Share Based Payments" issued by ICAI establishes financial and reporting principles for employees share based payment plans. The Guidance Note applies to employee share based payment plans, the grant date in respect of which falls on or after 1 April 2005.

**(i) Employee Stock Option Scheme 2007 ('ESOP 2007')**

The Employee Stock Option Plan, 2007, has been approved by the Board of Directors on 21 September 2007 and adopted by a special resolution passed by the shareholders of the Company on 29 September 2007. The plan provides for issue of 75,000 equity shares options to the employees of Indegene and its subsidiaries (convertible into one equity share on exercise of each option). The plan shall continue in effect unless terminated by the Company after obtaining the shareholder's approval. Options were issued to the employees at an exercise price of Rs. 50 per share, which is less than the fair market value of the shares. The compensation committee administers the ESOP 2007 Plan.

The following is the summary of the movement in options during the year:

| Particulars                                      | Year ended 31 March 2020 |                                 | Year ended 31 March 2019 |                                 |
|--|--------------------------|---------------------------------|--------------------------|---------------------------------|
|  | Number of options        | Weighted average exercise price | Number of options        | Weighted average exercise price |
| Options outstanding at the beginning of the year | 4,225                    | 50.00                           | 8,045                    | 50.00                           |
| Options granted during the year                  | -                        | -                               | -                        | -                               |
| Options exercised during the year                | (550)                    | 50.00                           | (2,190)                  | 50.00                           |
| Options surrendered during the year              | (1,625)                  | -                               | -                        | -                               |
| Options lapsed during the year                   | -                        | -                               | -                        | -                               |
| Options forfeited during the year                | -                        | -                               | (1,630)                  | -                               |
| <b>Options outstanding at the end of year</b>    | <b>2,050</b>             | <b>50.00</b>                    | <b>4,225</b>             | <b>50.00</b>                    |
| Options exercisable                              | 2,050                    | 50.00                           | 4,225                    | 50.00                           |

Indegene applies the intrinsic value based method of accounting for determining compensation cost for its stock based compensation plan.

Effective from 2014, Indegene allocates the subsidiaries for the employee stock option plan cost pertaining to the employees of the subsidiaries.

Information on outstanding options is set out below.

| Particulars  | As at<br>31 March 2020 | As at<br>31 March 2019 |
|--|------------------------|------------------------|
| <i>Options outstanding at the end of the year</i>    |                        |                        |
| Number of options outstanding                        | 2,050                  | 4,225                  |
| Weighted average remaining contractual life in years | 1.00                   | 2.00                   |
| Weighted average exercise price (in Rs)              | 50.00                  | 50.00                  |

The Company has recorded compensation cost Nil during the year ended 31 March 2020 (2019: Rs.Nil) using the intrinsic value method. The estimation of fair value on the date of grant was made using the Black-Scholes model.

Vesting schedule under the ESOP 2007 plan varies from 1 to 4 years



**Indegene Private Limited****Notes forming part of the standalone financial statements (continued)**

(All amounts in Indian rupees, except share data and where otherwise stated)

**3 Share capital (continued)****E) Employee share-based compensation (continued)****(ii) Employee Restricted Stock Unit Plan 2015 ('RSU 2015')**

The Employee Restricted Stock Unit Plan 2015, has been approved by the Board of Directors on 8 May 2015 and adopted by a special resolution passed by the shareholders of the Company on 4 June 2015. The plan provides for issue of 46,302 shares to the employees of Indegene and its subsidiaries. The Plan shall continue in effect unless terminated by the Company after obtaining the shareholder's approval. Options were issued to the employees at an exercise price of Rs 50 per share, which is less than the fair market value of the shares. The compensation committee administers the RSU 2015 Plan.

| Particulars                                      | Year ended 31 March 2020 |                                 | Year ended 31 March 2019 |                                 |
|--|--------------------------|---------------------------------|--------------------------|---------------------------------|
|  | Number of options        | Weighted average exercise price | Number of options        | Weighted average exercise price |
| Options outstanding at the beginning of the year | 12,899                   | 50.00                           | 12,672                   | 50.00                           |
| Options granted during the year                  | 2,052                    | 50.00                           | 4,037                    | 50.00                           |
| Options exercised during the year                | (498)                    | 50.00                           | (1,643)                  | 50.00                           |
| Options lapsed during the year                   | -                        | -                               | -                        | -                               |
| Options forfeited during the year                | (205)                    | -                               | (2,167)                  | -                               |
| <b>Options outstanding at the end of year</b>    | <b>14,248</b>            | <b>50.00</b>                    | <b>12,899</b>            | <b>50.00</b>                    |
| Options exercisable                              | 5,377                    | 50.00                           | 2,411                    | 50.00                           |

Indegene applies the intrinsic value based method of accounting for determining compensation cost for its stock based compensation plan.

Indegene allocates the subsidiaries for the employee stock option plan cost pertaining to the employees of the subsidiaries.

Information on outstanding and exercisable options is set out below:-

| Particulars  | As at<br>31 March 2020 | As at<br>31 March 2019 |
|--|------------------------|------------------------|
| <i>Options outstanding at the end of the year</i>    |                        |                        |
| Number of options outstanding                        | 14,248                 | 12,899                 |
| Weighted average remaining contractual life in years | 1.77                   | 2.48                   |
| Weighted average exercise price (in Rs)              | 50.00                  | 50.00                  |

The Company has recorded compensation cost of Rs. 2,962,754 during the year ended 31 March 2020 (2019: Rs. 1,519,864) using the intrinsic value method. The weighted average fair value of the options granted during the year ended 31 March 2020 (computed using Black-Scholes model) is Rs. 5,223.87 based on multiple grants made during the year (2019: Rs.6,006.38). The estimation of fair value on the date of grant was made using the Black-Scholes model with the following assumptions:

| Particulars             | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|-------------------------|-------------------------------------|-------------------------------------|
| Dividend yield          | -                                   | -                                   |
| Expected life (years)   | 2.0 - 4.5                           | 2.0 - 4.5                           |
| Risk free interest rate | 8.00%                               | 8.00%                               |
| Volatility              | -                                   | -                                   |

Vesting period under the RSU 2015 plan varies from 1 to 4 years

For ESOP 2007 and RSU 2015 had the compensation been determined under the fair value approach described in the guidance note, the Company's net profit, basic and diluted earnings per share would be as per the proforma disclosures given below:

| Particulars  | For the year ended<br>31 Mar 2020 | For the year ended<br>31 Mar 2019 |
|--|-----------------------------------|-----------------------------------|
| Net profit as reported   | 777,820,106                       | 507,694,290                       |
| Add: Stock based employee compensation expenses (intrinsic value method) | 2,962,754                         | 1,519,864                         |
| Less: Stock based employee compensation expense (fair value method)      | (2,969,205)                       | (1,545,288)                       |
| <b>Proforma net profit</b>   | <b>777,813,655</b>                | <b>507,668,866</b>                |

|                                       |        |        |
|---------------------------------------|--------|--------|
| Basic earnings per share as reported  | 456.37 | 284.46 |
| Proforma basic earnings per share     | 456.37 | 284.44 |
| Diluted earning per share as reported | 421.90 | 271.82 |
| Proforma diluted earnings per share   | 421.90 | 271.81 |



**Indegene Private Limited****Notes forming part of the standalone financial statements (continued)**

(All amounts in Indian rupees, except share data and where otherwise stated)

**4 Reserves and surplus**

| <b>Particulars</b>  | <b>As at<br/>31 March 2020</b> | <b>As at<br/>31 March 2019</b> |
|---|--------------------------------|--------------------------------|
| <b>Securities premium</b>   |                                |                                |
| Opening balance   | 165,063,856                    | 161,778,110                    |
| Add : Transfer from employee stock option outstanding on exercise of option     | 2,208,258                      | 3,285,746                      |
| <b>Closing balance</b>  | <b>167,272,114</b>             | <b>165,063,856</b>             |
| <b>Stock options outstanding</b>  |                                |                                |
| Opening balance   | 36,272,128                     | 24,674,511                     |
| Add : Employee compensation for the year *                                      | 14,489,007                     | 14,699,379                     |
| Less : Transfer to security premium account/share capital on exercise of option | (2,157,954)                    | (3,101,762)                    |
| <b>Closing balance</b>  | <b>48,603,181</b>              | <b>36,272,128</b>              |
| * includes impact of forfeiture   |                                |                                |
| <b>Statement of profit and loss</b>   |                                |                                |
| Opening balance   | 1,383,114,201                  | 875,419,911                    |
| Profit for the year   | 777,820,106                    | 507,694,290                    |
| <b>Closing balance</b>  | <b>2,160,934,307</b>           | <b>1,383,114,201</b>           |
| <b>Total</b>  | <b>2,376,809,602</b>           | <b>1,584,450,185</b>           |

**5 Share application money pending allotment**

| <b>Particulars</b>                             | <b>As at<br/>31 March 2020</b> | <b>As at<br/>31 March 2019</b> |
|--|--------------------------------|--------------------------------|
| Share application money pending allotment      | -                              | -                              |
| Add: Share application money received          | 5,100                          | -                              |
| Less: Shares issued (including premium amount) | -                              | -                              |
|  | <b>5,100</b>                   | <b>-</b>                       |

**6 Long-term provisions**

| <b>Particulars</b>            | <b>As at<br/>31 March 2020</b> | <b>As at<br/>31 March 2019</b> |
|-------------------------------|--------------------------------|--------------------------------|
| Employee benefit obligations* | 91,060,653                     | 63,841,530                     |
| Rent equalisation reserve     | 24,484,859                     | 34,619,572                     |
|                               | <b>115,545,512</b>             | <b>98,461,102</b>              |

\*(Employee benefit obligations comprise provision for gratuity (refer note 27).)



**Indegene Private Limited****Notes forming part of the standalone financial statements (continued)**

(All amounts in Indian rupees, except share data and where otherwise stated)

**7 Short-term borrowings**

| Particulars           | As at<br>31 March 2020 | As at<br>31 March 2019 |
|-----------------------|------------------------|------------------------|
| <i>(Secured)</i>      |                        |                        |
| Foreign bill discount | 112,653,150            | 143,496,540            |
| Packing Credit        | 101,387,835            | 131,711,800            |
|                       | <b>214,040,985</b>     | <b>275,208,340</b>     |

Cash credit, packing credit and foreign bill discount facility availed from Kotak Mahindra Bank Ltd with the repayment term of 90 days to 120 days at an interest rate of 6 months LIBOR + 2.4% p.a, which are secured against charge created on all current and movable assets of the company, personal guarantee of Mr.Manish Gupta, Dr.Rajesh Nair and Sanjay S Parikh (Directors of the Company) and lien on fixed deposit maintained with the bank at treasury rates prevailing on date of disbursement.

**8 Trade payables**

| Particulars  | As at<br>31 March 2020 | As at<br>31 March 2019 |
|--|------------------------|------------------------|
| Total outstanding dues of micro enterprises and small enterprises (refer note 34)      | 2,008,944              | 1,076,764              |
| Total outstanding dues of creditors other than micro enterprises and small enterprises |                        |                        |
| Related party (refer note 24)  | 95,254,135             | 56,412,936             |
| Others   | 243,889,424            | 189,281,351            |
|  | <b>341,152,503</b>     | <b>246,771,051</b>     |

**9 Other current liabilities**

| Particulars                                | As at<br>31 March 2020 | As at<br>31 March 2019 |
|--|------------------------|------------------------|
| Unearned revenue                           | 76,187,349             | 97,848,243             |
| Capital creditors                          | -                      | 249,797                |
| Current portion of long-term borrowings    | -                      | 5,760,726              |
| Statutory payables                         | 33,615,847             | 37,898,063             |
| Advance from customer                      | 8,381,318              | 14,930,618             |
| Others                                     | -                      | 10,374                 |
| Forward contract liability (refer note 28) | 48,780,578             | -                      |
|  | <b>166,965,092</b>     | <b>156,697,821</b>     |

**10 Short-term provisions**

| Particulars                   | As at<br>31 March 2020 | As at<br>31 March 2019 |
|-------------------------------|------------------------|------------------------|
| Employee benefit obligations* | 84,918,396             | 62,413,067             |
| Rent equalisation reserve     | 10,354,188             | 6,642,393              |
|                               | <b>95,272,584</b>      | <b>69,055,460</b>      |

\*(Employee benefit obligations comprise provision for gratuity (refer note 27) and compensated absences.)





11 Fixed assets

Following are the fixed assets balances as at 31 March 2020

| Particulars                  | GROSS BLOCK           |                              |                           |                        | Accumulated depreciation and amortisation |                              |                           |                        | Net block              |                        |
|------------------------------|-----------------------|------------------------------|---------------------------|------------------------|---|------------------------------|---------------------------|------------------------|------------------------|------------------------|
|                              | As at<br>1 April 2019 | Additions during<br>the year | Disposal /<br>Adjustments | As at<br>31 March 2020 | As at<br>1 April 2019                     | Depreciation<br>for the year | Disposal /<br>Adjustments | As at<br>31 March 2020 | As at<br>31 March 2020 | As at<br>31 March 2019 |
| <b>Plant and equipment :</b> |                       |                              |                           |                        |   |                              |                           |                        |                        |                        |
| Computers and accessories    | 195,845,161           | 46,474,595                   |                           | 242,319,756            | 150,434,465                               | 30,307,256                   |                           | 180,741,721            | 61,578,035             | 45,410,696             |
| Office equipment             | 38,221,224            | 1,091,951                    |                           | 39,313,175             | 32,789,596                                | 1,790,177                    |                           | 34,579,773             | 4,733,402              | 5,431,628              |
| Furniture                    | 11,410,049            | 1,485,231                    |                           | 12,895,280             | 9,811,346                                 | 894,425                      |                           | 10,705,771             | 2,189,509              | 1,598,703              |
| Leasehold improvements       | 82,767,490            | 2,943,220                    |                           | 85,710,710             | 55,167,788                                | 9,400,088                    |                           | 64,567,876             | 21,142,834             | 27,599,702             |
|                              | <b>328,243,924</b>    | <b>51,994,997</b>            | <b>-</b>                  | <b>380,238,921</b>     | <b>248,203,195</b>                        | <b>42,391,946</b>            | <b>-</b>                  | <b>290,595,141</b>     | <b>89,643,780</b>      | <b>80,040,729</b>      |
| <b>Intangible assets :</b>   |                       |                              |                           |                        |   |                              |                           |                        |                        |                        |
| Software                     | 31,755,685            | 128,842                      |                           | 31,884,527             | 30,049,808                                | 1,074,588                    |                           | 31,124,396             | 760,131                | 1,705,877              |
|                              | <b>31,755,685</b>     | <b>128,842</b>               | <b>-</b>                  | <b>31,884,527</b>      | <b>30,049,808</b>                         | <b>1,074,588</b>             | <b>-</b>                  | <b>31,124,396</b>      | <b>760,131</b>         | <b>1,705,877</b>       |
| <b>Total</b>                 | <b>359,999,609</b>    | <b>52,123,839</b>            | <b>-</b>                  | <b>412,123,448</b>     | <b>278,253,003</b>                        | <b>43,466,534</b>            | <b>-</b>                  | <b>321,719,537</b>     | <b>90,403,911</b>      | <b>81,746,606</b>      |

Following are the fixed assets balances as at 31 March 2019:

| Particulars                  | Gross block           |                              |                           |                        | Accumulated depreciation and amortisation |                              |                           |                        | Net block              |                        |
|------------------------------|-----------------------|------------------------------|---------------------------|------------------------|---|------------------------------|---------------------------|------------------------|------------------------|------------------------|
|                              | As at<br>1 April 2018 | Additions during<br>the year | Disposal /<br>Adjustments | As at<br>31 March 2019 | As at<br>1 April 2018                     | Depreciation<br>for the year | Disposal /<br>Adjustments | As at<br>31 March 2019 | As at<br>31 March 2019 | As at<br>31 March 2018 |
| <b>Plant and equipment :</b> |                       |                              |                           |                        |   |                              |                           |                        |                        |                        |
| Computers and accessories    | 158,723,108           | 36,988,251                   | 133,802                   | 195,845,161            | 121,855,962                               | 28,026,859                   | 551,644                   | 150,434,465            | 45,410,696             | 36,867,146             |
| Office equipments            | 36,166,978            | 2,898,871                    | (844,625)                 | 38,221,224             | 31,629,629                                | 1,516,146                    | (356,179)                 | 32,789,596             | 5,431,628              | 4,537,349              |
| Furniture and fixtures       | 11,329,386            | 99,353                       | (18,690)                  | 11,410,049             | 9,282,851                                 | 568,960                      | (40,465)                  | 9,811,346              | 1,598,703              | 2,046,535              |
| Leasehold improvements       | 76,236,427            | 5,801,550                    | 729,513                   | 82,767,490             | 46,141,716                                | 8,683,738                    | 342,334                   | 55,167,788             | 27,599,702             | 30,094,711             |
|                              | <b>282,455,899</b>    | <b>45,788,025</b>            | <b>-</b>                  | <b>328,243,924</b>     | <b>208,910,158</b>                        | <b>38,795,703</b>            | <b>497,334</b>            | <b>248,203,195</b>     | <b>80,040,729</b>      | <b>73,545,741</b>      |
| <b>Intangible assets :</b>   |                       |                              |                           |                        |   |                              |                           |                        |                        |                        |
| Software                     | 30,886,914            | 868,771                      |                           | 31,755,685             | 29,313,110                                | 1,234,032                    | (497,334)                 | 30,049,808             | 1,705,877              | 1,573,804              |
|                              | <b>30,886,914</b>     | <b>868,771</b>               | <b>-</b>                  | <b>31,755,685</b>      | <b>29,313,110</b>                         | <b>1,234,032</b>             | <b>(497,334)</b>          | <b>30,049,808</b>      | <b>1,705,877</b>       | <b>1,573,804</b>       |
| <b>Total</b>                 | <b>313,342,813</b>    | <b>46,656,796</b>            | <b>-</b>                  | <b>359,999,609</b>     | <b>238,223,268</b>                        | <b>40,029,735</b>            | <b>-</b>                  | <b>278,253,003</b>     | <b>81,746,606</b>      | <b>75,119,545</b>      |





**Indegene Private Limited****Notes forming part of the standalone financial statements (continued)**

(All amounts in Indian rupees, except share data and where otherwise stated)

**12 Non-current investments**

| Particulars   | As at<br>31 March 2020 | As at<br>31 March 2019 |
|---|------------------------|------------------------|
| <b>Trade investments (in subsidiary companies):</b>   |                        |                        |
| <b>(i) Investment in equity shares (unquoted)</b>   |                        |                        |
| ILSL Holdings, Inc., USA  | 4,555                  | 4,555                  |
| 1,000,000 (2019: 1,000,000) equity shares of USD 0.0001 each  |                        |                        |
| Indegene Fareast Pte Ltd., Singapore  | 3,980,260              | 3,980,260              |
| 150,000 (2019: 150,000) equity shares of SGD 1 each   |                        |                        |
| Indegene Lifesystems Consulting (Shanghai) Co. Ltd., China*   | 222,618,338            | 198,311,886            |
| Indegene Europe LLC, Switzerland  | 2,896,066              | 2,896,066              |
| 50 (2019: 50) equity shares of CHF 1000 each  |                        |                        |
| Omnipresence Technologies Inc., (Formerly known as Indegene Omnipresence Inc.,)   | 1,811,599,519          | 627,731,444            |
| 49,739 (2019: 27,600) equity shares of USD 10 each  |                        |                        |
|   | 2,041,098,738          | 832,924,211            |
| Less: Provision for diminution in value of investments of Indegene Lifesystems Consulting (Shanghai) Co. Ltd., China in equity shares | (176,874,105)          | (176,874,105)          |
|   | <b>1,864,224,633</b>   | <b>656,050,106</b>     |
| <b>(ii) Investment in preference shares (unquoted)</b>  |                        |                        |
| ILSL Holdings, Inc., USA - 8% preference shares**   | 631,967,190            | 666,723,603            |
| 1,356,851 (2019: 1,432,000) preference shares of USD 0.0001 each  |                        |                        |
| Indegene Fareast Pte Ltd, Singapore - 8% preference shares  | 42,568,119             | 42,568,119             |
| 13,830 (2019: 13,830) preference shares SGD 100 each  |                        |                        |
| Less: Provision for diminution in value of investments of Indegene Fareast Pte Ltd, Singapore in preference shares                    | (24,606,829)           | (24,606,829)           |
|   | <b>649,928,480</b>     | <b>684,684,893</b>     |
| <b>Aggregate book value of unquoted non-current investments</b>   | <b>2,514,153,113</b>   | <b>1,340,734,999</b>   |

\* As per the local laws of People's Republic of China, there is no concept of share certificate. Hence, investment by the Company is in the form of equity contribution.

\*\* During the year a repayment of 75,149 series A pref shares from ILSL Holding Inc along with the accumulated dividend (refer note 18) till date of redemption.

**13 Long-term loans and advances**

| Particulars   | As at<br>31 March 2020 | As at<br>31 March 2019 |
|---|------------------------|------------------------|
| <i>(Unsecured, considered good unless otherwise stated)</i> |                        |                        |
| Loans to subsidiaries (refer note 24)                       | 42,961,745             | 525,965,103            |
| Prepaid expenses  | 1,722,455              | 2,570,889              |
| Security deposits   | 98,381,038             | 89,093,650             |
| Non current bank balance (refer note 15)                    | -                      | 750,000                |
| Balance with government authorities                         | -                      | 369                    |
| Advance tax, net of provision for income tax                | 8,266,736              | 20,651,126             |
| MAT credit entitlement                                      | 144,956,303            | 136,534,739            |
|   | 296,288,277            | 775,565,876            |
| Less: Provision for doubtful loans to subsidiaries          | (28,025,250)           | (28,025,250)           |
|   | <b>268,263,027</b>     | <b>747,540,626</b>     |



**Indegene Private Limited****Notes forming part of the standalone financial statements (continued)**

(All amounts in Indian rupees, except share data and where otherwise stated)

**14 Trade receivables**

| Particulars  | As at<br>31 March 2020 | As at<br>31 March 2019 |
|--|------------------------|------------------------|
| <b>Receivables outstanding for a period exceeding six months from the date they became due for payment</b> |                        |                        |
| <i>Unsecured</i>   |                        |                        |
| Considered good*   | 22,310,467             | 32,721,403             |
| Doubtful   | 7,321,519              | 7,445,341              |
| <b>Others</b>  |                        |                        |
| <i>Unsecured</i>   |                        |                        |
| Considered good**  | 574,952,316            | 469,151,442            |
| <b>Total receivables</b>   | <b>604,584,302</b>     | <b>509,318,186</b>     |
| Less : Provision for doubtful trade receivables  | (7,321,519)            | (7,445,341)            |
|  | <b>597,262,783</b>     | <b>501,872,845</b>     |

\*Includes an amount of Rs. 22,310,467 (2019 : Rs 31,772,075) receivable from subsidiaries. Refer note 24.

\*\*Includes an amount of Rs. 301,637,959 (2019 : Rs. 294,714,176) receivable from subsidiaries. Refer note 24.

**15 Cash and bank balances**

| Particulars   | As at<br>31 March 2020 | As at<br>31 March 2019 |
|---|------------------------|------------------------|
| <i>Cash and cash equivalents</i>                                    |                        |                        |
| Cash in hand  | 60,035                 | 58,228                 |
| Balances with banks   |                        |                        |
| In current accounts   | 294,517,700            | 94,964,555             |
|   | 294,577,735            | 95,022,783             |
| Other balances with banks   |                        |                        |
| In deposit accounts*  | 64,805,252             | 57,963,127             |
| Amount disclosed under long term loans and advances (refer note 13) | -                      | (750,000)              |
|   | 64,805,252             | 57,213,127             |
|   | <b>359,382,987</b>     | <b>152,235,910</b>     |

\*The deposits are held as lien against borrowing from banks and bank guarantees given to Software Technology Park of India.

**16 Short-term loans and advances**

| Particulars   | As at<br>31 March 2020 | As at<br>31 March 2019 |
|---|------------------------|------------------------|
| <i>(Unsecured, considered good unless otherwise stated)</i> |                        |                        |
| Advances to related parties (refer note 24)                 | 38,461,073             | 23,177,713             |
| Advance to employees  | 2,517,388              | 4,915,350              |
| Prepaid expenses  | 70,287,960             | 58,778,518             |
| Security deposits   | 460,000                | 760,000                |
|   | 111,726,421            | 87,631,581             |
| Less: Provision for doubtful advances                       | (4,948,976)            | (4,948,976)            |
|   | <b>106,777,445</b>     | <b>82,682,605</b>      |

**17 Other current assets**

| Particulars   | As at<br>31 March 2020 | As at<br>31 March 2019 |
|---|------------------------|------------------------|
| <i>(Unsecured, considered good unless otherwise stated)</i> |                        |                        |
| Other receivable  | -                      | 67,633                 |
| Interest earned *   | 502,561                | 97,031,680             |
| Unbilled receivables  | 117,622,439            | 160,726,437            |
| Forward contract asset                                      | -                      | 28,162,374             |
|   | <b>118,125,000</b>     | <b>285,988,124</b>     |

\*Includes an amount of Rs. Nil (2019 : Rs. 96,906,119) receivable from subsidiaries. Refer note 24.



**Indegene Private Limited****Notes forming part of the standalone financial statements (continued)**

(All amounts in Indian rupees, except share data and where otherwise stated)

**18 Other income**

| Particulars  | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|--|-------------------------------------|-------------------------------------|
| Interest income  | 42,465,894                          | 55,578,886                          |
| Foreign exchange gain, net   | 23,111,808                          | 57,202,596                          |
| Dividend income (refer to the preference shared repayment note 12) | 102,888,801                         | 5,688,623                           |
| Miscellaneous income   | 473,717                             | 176,977                             |
|  | <b>168,940,220</b>                  | <b>118,647,082</b>                  |

**19 Employee benefits expense**

| Particulars                                      | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|--|-------------------------------------|-------------------------------------|
| Salaries and bonus                               | 1,910,645,186                       | 1,514,636,950                       |
| Contribution to provident fund and other funds   | 75,194,104                          | 61,922,128                          |
| Staff welfare expenses                           | 47,131,027                          | 48,660,733                          |
| Employee stock based compensation (refer note 3) | 2,962,754                           | 1,519,864                           |
|  | <b>2,035,933,071</b>                | <b>1,626,739,675</b>                |

**20 Finance costs**

| Particulars      | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|------------------|-------------------------------------|-------------------------------------|
| Interest expense | 10,197,352                          | 8,805,120                           |
| Finance charges  | 1,714,775                           | 5,160,830                           |
|                  | <b>11,912,127</b>                   | <b>13,965,950</b>                   |

**21 Other expenses**

| Particulars  | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|--|-------------------------------------|-------------------------------------|
| Sub-contracting fees                                     | 250,856,327                         | 193,632,941                         |
| Rent (refer note 25)                                     | 131,046,748                         | 120,877,570                         |
| Travelling and conveyance                                | 109,760,583                         | 114,980,726                         |
| Legal and professional charges (refer note 22)           | 33,244,534                          | 31,105,083                          |
| Recruitment charges                                      | 20,126,120                          | 24,186,509                          |
| Subscription and periodicals                             | 14,407,920                          | 11,757,187                          |
| Communication charges                                    | 11,183,248                          | 10,635,976                          |
| Repairs and maintenance                                  |                                     |                                     |
| Computer consumables                                     | 65,262,569                          | 55,164,967                          |
| Office maintenance                                       | 37,473,049                          | 36,242,771                          |
| Others   | 5,604,322                           | 7,552,844                           |
| Electricity and water                                    | 19,948,900                          | 18,758,240                          |
| Bad debts written off                                    | 859,516                             | -                                   |
| Provision for doubtful debt                              | (123,822)                           | (4,281,400)                         |
| Insurance  | 4,809,179                           | 4,853,543                           |
| Corporate social responsibility expenses (refer note 35) | 7,607,857                           | 3,837,726                           |
| Rates and taxes  | 6,275,608                           | 15,714,887                          |
| Miscellaneous  | 23,575,999                          | 24,504,527                          |
|  | <b>741,918,657</b>                  | <b>669,524,097</b>                  |

**22 Auditors' remuneration (included in professional and consultancy charges, excluding applicable taxes)**

| Particulars          | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|----------------------|-------------------------------------|-------------------------------------|
| Audit fees           | 2,350,000                           | 2,350,000                           |
| Tax audit fees       | 200,000                             | 200,000                             |
| Attestation services | 200,000                             | 200,000                             |
|                      | <b>2,750,000</b>                    | <b>2,750,000</b>                    |



**Indegene Private Limited****Notes forming part of the standalone financial statements**

(All amounts in Indian rupees, except share data and where otherwise stated)

**23 Segmental information :**

The Company operates only in one operating segment i.e. solutions to life science organizations.

The Company in identifying its reportable segments has considered its internal organisation and management structure, internal financial reporting system to its CEO and Board of Directors to arrive at the factors that predominantly affects its risks and returns. Accordingly, the Company has identified its Business Segments as Primary Segment and Geographical Segment as its Secondary Segment.

The accounting policies used in preparation of the standalone financial statements of the Company are also applied for segment reporting.

Segment assets, segment liabilities and fixed assets used in the Company's business have not been identified to any reportable segment, as these are used interchangeably between segments and hence management believes that it is currently not practical to provide segment disclosures relating to total carrying amount of segment assets, liabilities and fixed assets, since a meaningful segregation is not possible.

The significant part of the fixed assets of the Company are located in India.

**Geographical segments**

| Revenue  | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|--|-------------------------------------|-------------------------------------|
| India  | 294,730,294                         | 267,804,335                         |
| USA  | 2,255,229,709                       | 1,620,724,212                       |
| Rest of world  | 1,028,529,417                       | 933,662,231                         |
| <b>Total</b>   | <b>3,578,489,420</b>                | <b>2,822,190,778</b>                |
| <b>Trade receivables and unbilled revenue (net of provision)</b> |                                     |                                     |
|  | As at<br>31 March 2020              | As at<br>31 March 2019              |
| India  | 105,267,067                         | 99,918,454                          |
| USA  | 266,364,516                         | 274,461,857                         |
| Rest of world  | 343,253,639                         | 288,218,989                         |
| <b>Total</b>   | <b>714,885,222</b>                  | <b>662,599,300</b>                  |

**24 Related party transactions**

Names of related parties.

| (i) Subsidiaries  | Step down Subsidiaries   | Step down Associate                                | Country of Incorporation                             |
|---|--|--|--|
| ILSL Holdings, Inc., USA  | Medcases, LLC.<br>Indegene, Inc.<br>Indegene Healthcare, LLC.<br>Services Indegene Aptilon Inc<br>Indegene Wincere, Inc.<br>Indegene Encima, Inc.*<br>Indegene Ireland Limited ^ | DT Associates Research and Consulting Services Ltd | USA<br>USA<br>USA<br>Canada<br>USA<br>USA<br>Ireland |
| Indegene Fareast Pte Ltd., Singapore  |  |  | Singapore  |
| Indegene Australia Pty Ltd, Australia **  |  |  | Australia  |
| Indegene Lifesystems Consulting (Shanghai) Co. Ltd., China                      |  |  | Peoples's Republic of China                          |
| Indegene Europe LLC, Switzerland  |  |  | Switzerland  |
| Omnipresence Technologies Inc., (formerly known as Indegene Omnipresence Inc.,) | Omnipresence Technology Services Inc., (Formerly known as Indegene Omnipresence Services Inc.,)  |  | USA  |
| Indegene Japan GK***  |  |  | Japan  |

\* Indegene Encima Inc is merged with Indegene Inc effective from 09 Jan 2019.

\*\*The company has been deregistered w.e.f 15 Aug 2018.

^ Incorporated w.e.f 14 June 2019.

\*\*\*The company has been registered w.e.f 15 June 2020.

**(ii) Key management personnel**

Dr.Rajesh B Nair - Director

Mr.Manish Gupta-Chief Executive Officer and Director

Dr.Sanjay S Parikh- Director



**Indegene Private Limited**
**Notes forming part of the standalone financial statements**

(All amounts in Indian rupees, except share data and where otherwise stated)

**24 Related party transactions (continued)**
**Transactions with the above related parties during the year:**

| Nature of transaction                                  | With Subsidiaries                   |                                     | With Key management personnel       |                                     |
|--|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
|  | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
| Revenue from operations                                | 2,298,686,733                       | 1,677,785,115                       | -                                   | -                                   |
| Expenses paid on behalf of subsidiaries                | 24,578,546                          | 4,944,096                           | -                                   | -                                   |
| Expenses of consultancy                                | 4,623,141                           | 472,780                             | -                                   | -                                   |
| Expenses paid by subsidiaries on behalf of the Company | -                                   | 16,428,908                          | -                                   | -                                   |
| Advance from subsidiaries                              | 17,108,335                          | -                                   | -                                   | -                                   |
| Investment in subsidiary                               | 1,208,174,527                       | 639,149,224                         | -                                   | -                                   |
| Issue of loan to subsidiaries                          | -                                   | 15,987,015                          | -                                   | -                                   |
| Repayment of loan from subsidiaries                    | 452,599,955                         | -                                   | -                                   | -                                   |
| Repayment of Investment from subsidiaries              | 34,756,413                          | -                                   | -                                   | -                                   |
| Sale of investment                                     | -                                   | 23,380,000                          | -                                   | -                                   |
| Interest expense for the year                          | 37,737,251                          | 52,766,491                          | -                                   | -                                   |
| Interest income during the year                        | 133,152,982                         | -                                   | -                                   | -                                   |
| Dividend received                                      | 102,888,801                         | 5,688,623                           | -                                   | -                                   |
| Managerial remuneration                                | -                                   | -                                   | 35,721,858                          | 23,997,244                          |

**Balances receivable/payable from / to related parties are as follows:**

| Nature of transaction       | Subsidiaries           |                        | Key management personnel |                        |
|-----------------------------|------------------------|------------------------|--------------------------|------------------------|
|                             | As at<br>31 March 2020 | As at<br>31 March 2019 | As at<br>31 March 2020   | As at<br>31 March 2019 |
| Balances as at the year end | -                      | -                      | -                        | -                      |
| Trade receivables           | 323,948,426            | 326,486,251            | -                        | -                      |
| Loan receivables            | 42,961,745             | 622,871,222            | -                        | -                      |
| Receivables*                | 38,461,074             | 23,177,713             | -                        | -                      |
| Payables                    | 95,254,135             | 56,412,936             | -                        | -                      |

\* Includes the balances being in the nature of interest accrued towards loans given to subsidiaries of the company, reimb, where applicable and inter-corporate deposits with subsidiary.

The Following are the significant related party transactions during the year ended 31 March, 2020 and 2019:

| Particulars   | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|---|-------------------------------------|-------------------------------------|
| <b>Revenue from operations</b>  |                                     |                                     |
| Indegene Farcast Pte Ltd., Singapore  | 9,643,749                           | 15,634,012                          |
| Indegene, Inc.  | 1,955,309,990                       | 1,488,382,776                       |
| Indegene Healthcare LLC   | 77,785,176                          | 55,631,570                          |
| Omnipresence Technologies Inc., (formerly known as Indegene Omnipresence Inc.,) | 228,966,189                         | 63,597,411                          |
| Indegene Lifesystems Consulting (Shanghai) Co. Ltd., China                      | 16,827,115                          | 19,337,577                          |
| Others  | 10,154,514                          | 35,201,768                          |
| <b>Expenses paid by subsidiaries on behalf of Indegene</b>                      |                                     |                                     |
| Medcases, LLC   | -                                   | 213,668                             |
| Indegene, Inc.  | -                                   | 16,215,239                          |
| <b>Advance from subsidiaries</b>  |                                     |                                     |
| ILSL Holdings, Inc., USA  | 17,108,335                          | -                                   |
| <b>Expenses of consultancy</b>  |                                     |                                     |
| Indegene Europe LLC, Switzerland  | 4,623,141                           | 472,780                             |
| <b>Expenses paid on behalf of subsidiaries</b>                                  |                                     |                                     |
| Indegene Farcast Pte Ltd., Singapore  | -                                   | 116,071                             |
| Indegene, Inc.  | 19,148,286                          | -                                   |
| DT Consulting   | 2,284,476                           | -                                   |
| Indegene Lifesystems Consulting (Shanghai) Co. Ltd., China                      | 3,078,091                           | 4,741,752                           |
| Indegene Wincere, Inc.  | 67,693                              | 86,273                              |
| <b>Investment in subsidiary</b>   |                                     |                                     |
| Indegene Lifesystems Consulting (Shanghai) Co. Ltd., China                      | 24,306,452                          | 21,437,780                          |
| Omnipresence Technologies Inc., (formerly known as Indegene Omnipresence Inc.,) | 1,183,868,075                       | 617,711,444                         |
| <b>Issue of loan to subsidiaries</b>  |                                     |                                     |
| Indegene Lifesystems Consulting (Shanghai) Co. Ltd., China                      | -                                   | 15,987,015                          |
| <b>Repayment of loan and Interest by subsidiaries</b>                           |                                     |                                     |
| ILSL Holdings, Inc., USA  | 369,336,214                         | -                                   |
| Omnipresence Technologies Inc., (formerly known as Indegene Omnipresence Inc.,) | 81,302,263                          | -                                   |
| Indegene Lifesystems Consulting (Shanghai) Co. Ltd., China                      | 1,961,478                           | -                                   |
| <b>Repayment of Investment by subsidiaries</b>                                  |                                     |                                     |
| ILSL Holdings, Inc., USA  | 34,756,413                          | -                                   |
| <b>Sale of Investment</b>   |                                     |                                     |
| Omnipresence Technologies Inc., (formerly known as Indegene Omnipresence Inc.,) | -                                   | 23,380,000                          |
| <b>Interest charged for the year</b>  |                                     |                                     |
| ILSL Holdings, Inc., USA  | 29,800,551                          | 43,381,223                          |
| Omnipresence Technologies Inc., (formerly known as Indegene Omnipresence Inc.,) | 6,446,309                           | 9,385,269                           |
| Indegene Lifesystems Consulting (Shanghai) Co. Ltd., China                      | 1,490,391                           | -                                   |
| <b>Interest income during the year</b>  |                                     |                                     |
| ILSL Holdings, Inc., USA  | 109,678,880                         | -                                   |
| Omnipresence Technologies Inc., (formerly known as Indegene Omnipresence Inc.,) | 23,474,102                          | -                                   |
| <b>Dividend received</b>  |                                     |                                     |
| ILSL Holdings, Inc., USA  | 102,888,801                         | -                                   |
| Indegene Farcast Pte Ltd., Singapore  | -                                   | 5,688,623                           |
| <b>Investment written off</b>   |                                     |                                     |
| Indegene Australia Pty Ltd, Australia   | -                                   | 34                                  |
| <b>Managerial remuneration to key management personnel*</b>                     |                                     |                                     |
| Manish Gupta  | 19,163,776                          | 12,855,660                          |
| Sanjay S Parikh   | 16,558,082                          | 11,141,584                          |

\* The remuneration does not include gratuity, employee stock compensation costs, leave encashment as the same cannot be specifically identified



**Indegene Private Limited****Notes forming part of the standalone financial statements**

(All amounts in Indian rupees, except share data and where otherwise stated)

**25 Operating leases**

The Company is obligated under non-cancellable operating leases for office premises which is renewable on a periodic basis at the option of both the lessor and lessee. Total rental expense under non-cancellable operating lease amounts to Rs. 129,991,893 (2019: Rs 119,996,369) for the year ended 31 March 2020.

Future minimum lease payments under the non-cancelable operating leases are as under:

|   | As at<br>31 March 2020 | As at<br>31 March 2019 |
|---|------------------------|------------------------|
| <b>Minimum lease payments :</b>                   |                        |                        |
| Not later than one year                           | 111,489,488            | 81,700,981             |
| Later than one year but not later than five years | 186,230,597            | 321,487,633            |
|   | <b>297,720,085</b>     | <b>403,188,614</b>     |

**26 Earnings per share (EPS)**

|  | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|--|-------------------------------------|-------------------------------------|
| Profit attributable to equity holders of the company (PAT) | 777,820,106                         | 507,694,290                         |
| Adjustment to PAT - dividend on OCCPS                      | (62,848,000)                        | (62,848,000)                        |
| Adjusted PAT   | 714,972,106                         | 444,846,290                         |
| Weighted average number of shares for basic EPS            | 1,566,635                           | 1,563,850                           |
| Weighted average number of shares for diluted EPS          | 1,843,609                           | 1,867,726                           |
| Basic earnings per share                                   | 456.37                              | 284.46                              |
| Diluted earnings per share*                                | 421.90                              | 271.82                              |

|  | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|--|-------------------------------------|-------------------------------------|
| <b>Weighted average number of shares for basic EPS</b> |                                     |                                     |
| Equity shares  | 1,565,930                           | 1,562,097                           |
| Options exercised during the year                      | 705                                 | 1,753                               |
|  | <b>1,566,635</b>                    | <b>1,563,850</b>                    |

|  | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|--|-------------------------------------|-------------------------------------|
| <b>Weighted average number of shares for diluted EPS</b> |                                     |                                     |
| Weighted average number of shares for basic EPS          | 1,566,635                           | 1,563,850                           |
| OCCPS*   | 262,971                             | 290,333                             |
| Assumed exercise of stock options                        | 14,003                              | 13,543                              |
|  | <b>1,843,609</b>                    | <b>1,867,726</b>                    |

\*As per the Shareholders' Agreement, the computation of weighted average potential equity shares (on conversion of OCCPS) has been considered by dividing the preference share capital amount and cumulative accrued dividend at the rate of 8% coupon rate by the fair value of the equity shares.

**27 Employee benefits :**

The Company has classified various benefits provided to employees as under :

**Defined contribution plans**

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund, employee state insurance and labour welfare fund which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of profit and loss. The amount recognised as an expense towards contribution to provident fund, employee state insurance and labour welfare fund for the year aggregated to Rs. 75,194,104 (2019: Rs 61,922,128).

**Defined benefit plan**

Liability towards gratuity has been determined based on the method prescribed in the Accounting Standard 15 on "Employee benefits". Under the Company's gratuity scheme every employee who has completed 5 years or more of service, is eligible for gratuity on separation, worked out at 15 days salary (last drawn salary) for each completed year of service.

The following table sets forth the status of the gratuity plan as required under revised Accounting Standard 15.

**Reconciliation of opening and closing balances of the present value of the defined benefit obligation**

| Particulars                               | As at<br>31 March 2020 | As at<br>31 March 2019 |
|---|------------------------|------------------------|
| <b>Opening defined benefit obligation</b> | 66,637,995             | 53,682,009             |
| Current service cost                      | 18,298,846             | 14,528,749             |
| Interest cost                             | 5,142,058              | 4,130,579              |
| Past Service cost (vested employees)      | -                      | -                      |
| Actuarial losses / (gains)                | 10,715,344             | (290,402)              |
| Benefits paid                             | (4,648,163)            | (5,412,940)            |
| <b>Closing defined benefit obligation</b> | <b>96,146,080</b>      | <b>66,637,995</b>      |

**Reconciliation of present value of the obligation and the fair value of the plan assets**

| Particulars   | As at<br>31 March 2020 | As at<br>31 March 2019 |
|---|------------------------|------------------------|
| Fair value of plan assets at the end of the year                        | -                      | -                      |
| Present value of the defined benefit obligations at the end of the year | 96,146,080             | 66,637,995             |
| <b>Liability recognized in balance sheet</b>                            | <b>96,146,080</b>      | <b>66,637,995</b>      |
| Current   | 5,085,427              | 2,796,465              |
| Non-current   | 91,060,653             | 63,841,530             |



**Indegene Private Limited**
**Notes forming part of the standalone financial statements**

(All amounts in Indian rupees, except share data and where otherwise stated)

**27 Employee benefits (continued):**
**Expense recognized during the year**

| Particulars   | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|---|-------------------------------------|-------------------------------------|
| Current service cost                                | 18,298,846                          | 14,528,749                          |
| Interest on defined benefit obligation              | 5,142,058                           | 4,130,579                           |
| Past Service cost (vested employees)                | -                                   | -                                   |
| Net actuarial gains recognised in the year          | 10,715,344                          | (290,402)                           |
| <b>Total expenses included in employee benefits</b> | <b>34,156,248</b>                   | <b>18,368,926</b>                   |

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

| Particulars                  | As at<br>31 March 2020  | As at<br>31 March 2019  |
|------------------------------|---|---|
| Discount rate (p.a)          | 6.70%   | 7.70%   |
| Salary escalation rate (p.a) | 7.00%   | 7.00%   |
| Retirement age (years)       | 58  | 58  |
| Attrition rate               | Age 21-30: 18%<br>Age 31-40: 8%<br>Age 41-50: 3%<br>Age 51-57: 2% | Age 21-30: 18%<br>Age 31-40: 5%<br>Age 41-50: 3%<br>Age 51-57: 2% |

**Experience adjustments**

Amount for the current year and previous four years are as follows:

| Particulars                               | As at<br>31 March 2016 | As at<br>31 March 2017 | As at<br>31 March 2018 | As at<br>31 March 2019 | As at<br>31 March 2020 |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|
| Defined benefit obligation                | 28,926,880             | 41,320,893             | 53,682,009             | 66,637,995             | 96,146,080             |
| Plan assets                               | -                      | -                      | -                      | -                      | -                      |
| Surplus / (deficit)                       | (28,926,880)           | (41,320,893)           | (53,682,009)           | (66,637,995)           | (96,146,080)           |
| Experience adjustment on plan liabilities | (503,102)              | (1,910,571)            | -                      | (71,062)               | (432,177)              |
| Experience adjustment on plan assets      | -                      | -                      | 218,441                | -                      | -                      |

**28 Details of forward contract**

| Particulars  | 31 March 2020                     | 31 March 2019                     |
|--|-----------------------------------|-----------------------------------|
| Outstanding forward contracts to buy USD as at   | 1,305,366,000<br>(USD 17,800,000) | 1,290,364,525<br>(USD 17,910,000) |
| For the year ended   |                                   |                                   |
| Total amortised premium on forward contracts (gain recognised under foreign exchange gain)                 | 10,219,942                        | 10,639,151                        |
| Total unamortised premium on forward contracts   | 17,329,198                        | 20,645,131                        |
| Restatement gain / loss on forward contracts (gain / (loss) recognised under foreign exchange gain/(loss)) | (59,000,520)                      | 17,523,223                        |

**Unhedged foreign currency exposure (gross)**

Unhedged foreign currency balances (in Indian Rupees) as on 31 March 2020 are as follows:

| Particulars                                 | USD         | EURO       | CHF        | Others*    |
|---|-------------|------------|------------|------------|
| Borrowings                                  | 214,040,985 | -          | -          | -          |
| Trade payables                              | 96,937,176  | 22,995,353 | 4,670,943  | 1,088,628  |
| Trade receivables                           | 438,950,375 | 41,053,231 | 57,033,210 | 12,125,972 |
| Cash and bank balances                      | 47,939,391  | -          | -          | 5,504,942  |
| Other current liabilities                   | 118,238,089 | 4,336,295  | 17,360,956 | 3,553,093  |
| Loans and advances and other current assets | 176,826,526 | 5,566,919  | 265,596    | 1,665,011  |

Unhedged foreign currency balances (in Indian Rupees) as on 31 March 2019 are as follows:

| Particulars                                 | USD         | EURO       | CHF        | Others*    |
|---|-------------|------------|------------|------------|
| Borrowings                                  | 275,208,340 | -          | -          | -          |
| Trade payables                              | 64,003,637  | 17,030,385 | -          | 8,144,801  |
| Trade receivables                           | 380,115,026 | 30,127,324 | 22,841,080 | 15,052,081 |
| Cash and bank balances                      | 32,054,091  | 24,181     | -          | 3,107,078  |
| Other current liabilities                   | 49,265,212  | 14,276,249 | 12,569,584 | 1,884,406  |
| Loans and advances and other current assets | 685,485,020 | 14,830,651 | 1,059,108  | 166,097    |

Others\* includes GBP, CAD, CHF, JPY, SGD, RMB



**Indegene Private Limited****Notes forming part of the standalone financial statements**

(All amounts in Indian rupees, except share data and where otherwise stated)

**29 Deferred tax assets**

| Particulars                                 | As at<br>31 March 2020 | As at<br>31 March 2019 |
|---|------------------------|------------------------|
| Fixed asset                                 | 6,150,932              | 5,608,364              |
| Provision for bad debts                     | 1,427,503              | 1,643,802              |
| Rent equalisation reserve                   | 10,072,074             | 11,020,400             |
| Provision for loans & advances              | 9,602,095              | -                      |
| Provision for gratuity and leave encashment | 16,904,464             | 8,301,538              |
|   | <b>44,157,068</b>      | <b>26,574,104</b>      |

**30 Contingent liabilities and commitments**

In accordance with the Accounting Standard 29 – “Provisions, Contingent Liabilities and Contingent Assets”, prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, certain classes of liabilities have been identified as provisions which have been disclosed as under:

| Particulars  | As at<br>31 March 2020 | As at<br>31 March 2019 |
|--|------------------------|------------------------|
| Bank guarantee issued by the bank in favour of government department | 400,000                | 400,000                |
| Income tax matters   | 4,589,365              | 3,357,140              |
|  | <b>4,989,365</b>       | <b>3,757,140</b>       |

Additionally, the Company believes that other disputes, lawsuits and claims, including commercial matters, which arise from time to time in the ordinary course of business will not have any material adverse effect on standalone financial statements in any given financial year.

**Income tax matters**

The Company has received tax demand orders for various assessment years the company has filed appeals against such orders at various levels of income tax jurisdiction. The final order against the appeals made are yet to be received. The management is of the view that these will not have any material adverse effect on the company's financial position or results of operations.

**31 Expenditure in foreign currency**

| Particulars                    | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|--------------------------------|-------------------------------------|-------------------------------------|
| Sub contracting fees           | 114,612,796                         | 93,944,545                          |
| Legal and professional charges | 16,807,037                          | 9,553,235                           |
| Salaries and bonus             | 80,060,021                          | 85,712,900                          |
| Travelling and conveyance      | 34,690,413                          | 35,254,782                          |
| Subscription and periodicals   | 38,199,743                          | 27,180,037                          |
| Miscellaneous                  | 3,619,087                           | 6,840,714                           |
|                                | <b>287,989,097</b>                  | <b>258,486,213</b>                  |

**32 Earnings in foreign currency**

| Particulars                                   | For the year ended<br>31 March 2020 | For the year ended<br>31 March 2019 |
|---|-------------------------------------|-------------------------------------|
| Revenue from sale of services (refer note 24) | 3,283,759,126                       | 2,554,386,444                       |
| Interest income                               | 37,737,251                          | 52,766,491                          |
| Dividend income                               | 102,888,802                         | 5,688,623                           |
|   | <b>3,424,385,179</b>                | <b>2,612,841,558</b>                |

**33 C.I.F value of imports**

Value of capital goods imported during the year ended 31 March 2020 is Rs. 36,664,798 (2019:Rs. 32,260,537).





**Indegene Private Limited****Notes forming part of the standalone financial statements**

(All amounts in Indian rupees, except share data and where otherwise stated)

**34 Dues to "Micro, Small and Medium Enterprises"**

The Ministry of Micro, Small and Medium Enterprises has issued an Official Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprise as at 31 March 2020 has been made in the financial statements based on information received and available with the Company. The Company has not received any claim for interest from any supplier under the Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act, 2006").

| Particulars   | 31 March 2020 | 31 March 2019 |
|---|---------------|---------------|
| (a) Principal due amount remaining unpaid to suppliers as at the end of accounting year   | 2,008,944     | 1,076,764     |
| (b) Interest on 34(a) above   | -             | -             |
| (c) The amount of interest paid by the buyer as per the MSMED Act, 2006   | -             | -             |
| (d) The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year  | 6,378,074     | 3,577,585     |
| (e) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006  | -             | -             |
| (f) The amount of interest accrued and remaining unpaid at the end of each accounting year  | 68,404        | 19,776        |
| (g) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purposes of disallowance as a deductibles expenditure under the MSMED Act, 2006. | 19,776        | -             |

**35 Corporate Social Responsibility ('CSR')**

a. Gross amount required to be spent by the company during the year Rs. 7,480,662 (2019: Rs. 5,400,033).

b. Total amount spent, during the year on purpose other than construction/acquisition of any asset, in cash Rs. 7,607,857 (2019: Rs. 3,837,726)

**36 Uncertainties due to COVID-19 global health pandemic**

The Company, in light of the COVID-19 pandemic outbreak has taken measures to protect the health of its employees and ensure business continuity with minimal disruption. The Company has considered internal and external information while assessing various estimates in relation to its financial statement captions. The impact of COVID-19 remains uncertain and may be different from what we have estimated as of the date of approval of these standalone financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

As per our report of even date attached  
for **BSR & Associates LLP**

Chartered Accountants

Firm's registration number: 116231W/W-100024



**Siddhartha Sharma**

Partner

Membership number: 118756

Place: Bengaluru

Date: 28 September 2020

for and on behalf of the Board of Directors of  
**Indegene Private Limited**



**Manish Gupta**  
Chief Executive Officer and Director  
DIN: 00219273  
Place: Bengaluru  
Date: 28 September 2020



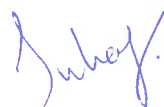
**Sanjay S Parikh**

Director

DIN: 00219278

Place: Bengaluru

Date: 28 September 2020



**Suhas Prabhu**

Senior Vice President - Finance

Place: Bengaluru

Date: 28 September 2020



**Srishti Kaushik**

Company Secretary

Place: Bengaluru

Date: 28 September 2020