

**DR HABEEBULLAH  
LIFE SCIENCES LIMITED**

**24<sup>TH</sup>  
ANNUAL REPORT  
(2019-20)**

## TABLE OF CONTENTS

<b>CONTENTS</b>	<b>PAGE NO.</b>
Corporate Information	2
Board of Directors	4
Notice of AGM	6
Director's Report	16
AOC – 1 (Financial Details of Subsidiaries / Associates / Joint Ventures)	30
MR – 3 (Secretarial Audit Report)	31
Declaration from Independent Directors	35
Remuneration Details of Directors, KMPs and Employees (as applicable)	38
AOC – 2 (Related Party Transactions)	40
MGT – 9 (Extract of Annual Return)	42
Management Discussion & Analysis Report	53
Report on Corporate Governance	59
CEO/CFO Certification	82
Declaration on Code of Conduct	83
PCS Certificate – Compliance with Corporate Governance	83
Standalone Auditor's Report & Financials	85
Consolidated Auditor's Report & Financials	117

**CORPORATE INFORMATION****BOARD OF DIRECTORS**

Mr. K. Krishnam Raju	-	Promoter & Executive Chairman (DIN 00874650)
Dr. Mohammed Aejaz Habeeb	-	Promoter – Non Executive (DIN 02265024)
Dr. Syed Ameer Basha Paspala	-	Promoter – Non Executive (DIN 07585133)
Dr. Akka Jyothy	-	Independent – Non Executive (DIN 07687798)
Dr. T.V. Rama Krishna Murthy	-	Independent – Non Executive (DIN 07688759)
Mr. B. Suryaprakasa Rao	-	Independent – Non Executive (DIN 08089189)

**Company Secretary** - Ms. Neha Kankariya

**Chief Financial Officer** - Mr. K.N.V Narendra Kumar

**Corporate Identity Number (CIN)** - L85110TG1996PLC099198

**ISIN** - INE579N01018

**REGISTERED OFFICE**

2-5-36/CLRD/1, Survey No. 36, Chintalmet X Roads,  
Upperpally, Rajendra Nagar Mandal,  
Hyderabad – 500048, Telangana State, India

**STATUTORY AUDITORS****A.M.REDDY & D.R.REDDY**

Chartered Accountants  
H.No:3-6-641/1/C, 4th Floor, Street No:9,  
Himayathnagar, Hyderabad-500029

**SECRETARIAL AUDITOR:**

M/s. S.S.Reddy & Associates  
Practicing Company Secretaries  
Plot No. 8-2-603/23/3 & 8-2-603/23, 15,  
2nd Floor, HSR Summit, Banjara Hills,  
Road No. 10, Hyderabad,  
Telangana - 500034

**INETRNL AUDITORS**

M/s. Tungala & Co.  
Chartered Accountants  
Hyderabad, Telangana State, India

**BANKERS**

HDFC Bank Limited  
Kotak Mahindra Bank  
IndusInd Bank

**AUDIT COMMITTEE:**

Mr. B.Suryaprakasa Rao	-	Chairman
Dr. T.V. Rama Krishna Murthy	-	Member
Dr. A. Jyothy	-	Member
Dr. SyedAmeer Basha Paspala	-	Member

**NOMINATION & REMUNERATION COMMITTEE:**

Dr. A. Jyothy	-	Chairperson
Mr. B. Suryaprakasa Rao	-	Member
Dr. T.V. Rama Krishna Murthy	-	Member

**STAKEHOLDER RELATIONSHIP COMMITTEE:**

Dr. T.V. Rama Krishna Murthy	-	Chairman
Dr. A. Jyothy	-	Member
Dr. Mohammed Aejaz Habeeb	-	Member
Mr. B. Suryaprakasa Rao	-	Member

**INDEPENDENT DIRECTORS COMMITTEE**

Dr. T.V. Rama Krishna Murthy	-	Chairman
Dr. A. Jyothy	-	Member
Mr. B. Suryaprakasa Rao	-	Member

**LISTING**

- 1) BSE Limited
- 2) Metropolitan Stock Exchange of India Limited

**REGISTRAR & SHARE TRANSFER AGENTS**

M/s. Venture Capital & Corporate Investments Private Limited  
12-10-167, Bharat Nagar, Hyderabad – 500018, Telangana State, India  
Contact No: 040 23818475/23818476  
E-mail: [info@vccilindia.com](mailto:info@vccilindia.com), Website: [www.vccilindia.com](http://www.vccilindia.com)

**CONTACT DETAILS OF THE COMPANY**

Cell : 040 2970 3333  
E-Mail : [investorrelations@drhsl.com](mailto:investorrelations@drhsl.com)  
Website: [www.drhsl.com](http://www.drhsl.com)

## BOARD OF DIRECTORS

**MR. KALIDINDI KRISHNAM RAJU****Whole-time Director  
& Executive Chairman**

Mr. Kalidindi Krishnam Raju, S/o K. V. Subba Raju, aged about 61 years, is a Chartered Accountant from the Institute of Chartered Accountants of India.

Over the past nearly two and half decades, Mr. K. Krishnam Raju has channelized his energies into helping provide strategic as well as management insights by adopting to companies his uniquely developed understanding in areas related to financial services, information technology and Bio-pharma oriented Healthcare. Prior to promoting DRHLSL, he practiced as a Chartered Accountant, worked in different organizations and worked as Director Finance in VisualSoft Technologies Limited, followed by promoting Krisani Wealth Management focused on financial research and Krisani Bio Sciences Private Limited in 2009 which is into design and development of New Drug Discovery including New Molecular Entity (NME).

His strategic planning blends the virtues of judicious financial designing by evolving suitable business models based on global business environment, efficient project execution by using his vast experience in business development and incorporating global best practices in corporate governance.

**DR. MOHAMMED AEJAZ HABEEB****Promoter Director**

Dr. Mohammed Aejaaz Habeeb, S/o. Padma Shree Late. C M Habeebullah, aged about 54 years, is a PhD holder in Biotechnology, D. M. (Gastroenterology) and MD. (General Medicine).

He is practicing as a Gastroenterologist, since 1999. He is the Professor and H.O.D for the Department of Gastroenterology and Hepatology at Deccan College of Medical Sciences, Hyderabad. He is practicing at his own Clinic at Narayanguda, Hyderabad since 1999. Additionally, since 2007 he is practicing as a Consultant (Gastroenterologist & Hepatologist) at Kamineni Wockhardt Hospitals (now known as Kamineni Hospital) King Koti, Hyderabad.

Also, since 2011 he is practicing as a Consultant (Gastroenterologist & Hepatologist) at Apollo Hospital, Hyderguda, Hyderabad. Thus, he has over 21 years of experience as a Consultant.

**DR. SYED AMEER BASHA  
PASPALA****Promoter Director**

Dr. Syed Ameer Basha Paspala, s/o Mr. Syed Mahboob Miah Paspala, aged about 54 years, is a PhD holder in Biotechnology and M.Ch (Neurosurgery).

He is practising as a Consultant (Neurosurgeon) since the beginning of 2001 at Institute of Medical Sciences, CARE Hospital, Hyderabad.

Additionally, since 2004 he is practising as a Consultant (Neurosurgeon) at Owaisi Hospital, Hyderabad.

Additionally, since 2004 he is practising as a Consultant (Neurosurgeon) at Central Hospital, South Central Railways, Hyderabad.

Thus, he has over 21 years of experience as a Consultant.



**MR. SURYAPRAKASA RAO  
BOMMISETTI**

**Independent Director**

Mr. Suryaprakasa Rao Bommiseti aged about 52 years, is a Chartered Accountant from the Institute of Chartered Accountants of India. He has over 25 years of post-qualification experience in Audit, Accounts and Finance and in Banking.

At present, in practice dealing in all Financial Matters i.e. Finance, Accounting, Audit, Tax Planning, including providing Advisory & Financial Consultancy Services to various clients at large and carrying out of Stock Audit, Credit Audit and Concurrent Audit of Banks.

He was also Leader of offsite team for monitoring Liabilities and Assets portfolio of the Bank, monitoring of Large Corporate Advances, Development of Audit Manual, Reports generation (SQL development) and Recovery of NPA, DRT matters, compromise & OTS etc.

Having rich exposure in all areas of Accounts, Finance, Audit of various corporates from small to large, Private Banks and one Public Sector Bank with key roles and responsibilities. As Auditor in practice, he is involved in finalisation of Accounts of corporates in various sector viz., Manufacturing, IT, Finance & Investments, Advertising, Non Profit Organizations, Real Estates, and NBFCs etc. He has also handled ROC matters including incorporation of companies etc, Liaison with RBI and Government Departments etc.



**DR. AKKA JYOTHY**

**Independent Director**

Prof. A. Jyothy is a PhD in Genetics from Osmania University. She has more than 31 years of experience in teaching and research. She was Former Director of Institute of Genetics and Hospital for Genetics Diseases, Osmania University.

Prof. A. Jyothy as a renowned scientist has obtained research funding from national agencies such as DBT, DST, ICMR and UGC.

She is reviewer for National and International Journals namely ClinicaChimicaActa, International Heart Journal, International Journal of Human Genetics and Indian Journal of Human Genetics etc. She has received many awards for her excellent academic accomplishments.

She was awarded with HPS-IMH oration award 2009-10 from Hyderabad Psychiatric Society and Women Achievers Award 2011 from Organization of Women in Science for Developing World (OWSDW).



**DR. T.V. RAMA KRISHNA MURTHY**

**Independent Director**

Dr. Tenneti Venkata Rama Krishna Murthy is MCh in Neurosurgery and has over 21 years of Consultancy experience in Neuro Sciences.

He is Consultant- Neuro Sciences in Care Hospital, Hyderabad.

He is notable member of –

- American Association of Neurological Surgeons
- Congress of Neurological Surgeons
- Neurological Society of India
- Indian Society of Stereotactic and Functional Neurosurgery
- Twin Cities Neurological Society
- Andhra Pradesh Neuro scientists Association.

**NOTICE**

Notice is hereby given that the 24th Annual General Meeting of members of Dr Habeebullah Life Sciences Limited will be held on Saturday, the 26th day of December, 2020 at 11.00 A.M. through Video Conferencing/ Other Audio Visual Means (OAVM), to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt:
  - (a) The Audited Standalone Financial Statements of the Company for the financial year ended 31st March 2020, together with the Reports of the Board of Directors and Auditor's thereon.
  - (b) The Audited Consolidated Financial Statements of the Company for the financial year ended 31st March 2020, together with the Report of the Auditor's thereon.
2. To appoint a director in place of Dr. Mohammed Aejez Habeeb (DIN: 02265024) who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. A.M. Reddy & D.R. Reddy as Statutory Auditors and to fix their remuneration and for the purpose to consider and if, thought fit, to pass with or without modification(s), the following Ordinary Resolution thereof:

**“RESOLVED THAT** pursuant to the provisions of Section 139 and 142 and other applicable provisions of the Companies Act, 2013, if any, read with the Companies (Audit & Auditors) Rules, 2014, including any statutory enactment or modification thereof, and pursuant to recommendation of Audit Committee, M/s. A.M. Reddy & D.R. Reddy Chartered Accountants, Hyderabad be and is hereby appointed as the Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s. MSKA & Associates, Chartered Accountants w.e.f. 14.11.2020 to hold the office from the conclusion of this Annual General Meeting till the conclusion of 29th Annual General Meeting of the Company to be held in the year 2025 and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them as may be determined by the Audit Committee in consultation with the Auditor from time to time.”

**SPECIAL BUSINESS:****4. RE-APPOINTMENT OF Dr. AKKA JYOTHY (DIN:07687798) AS INDEPENDENT DIRECTOR OF THE COMPANY:**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, 160 and Schedule IV and other applicable provisions if any, of the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof for the time being in force, Articles of Association of the Company, and pursuant to recommendation of the Nomination and Remuneration Committee and the Board of Directors, the approval of the Members of the Company be and is hereby accorded for re-appointment of Dr. Akka Jyothy (DIN: 07687798) whose current period of office expires on 26th December 2019 and who has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with the Listing Regulations, as amended from time to time, and who is eligible for re-appointment for a second term under the provisions of the Companies Act, 2013, Rules made there under and Listing Regulations and whose term shall not be subject to retirement by rotation, to hold office for a term of 5 (five) consecutive years on the Board of the Company w.e.f. 27th December, 2019 up to 26th December, 2024.”

**“RESOLVED FURTHER THAT** Mr. K. Krishnam Raju, Whole Time Director of the Company be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto”

**5. RE-APPOINTMENT OF Dr. T.V. RAMA KRISHNA MURTHY (DIN:07688759) AS INDEPENDENT DIRECTOR OF THE COMPANY:**

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149,150,152,160 and Schedule IV and other applicable provisions if any, of the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof for the time being in force, Articles of Association of the Company, and pursuant to recommendation of the Nomination and Remuneration Committee and the Board of Directors, the approval of the Members of the Company be and is hereby accorded for re-appointment of Dr. T.V. Rama Krishna Murthy (DIN: 07688759) whose current period of office expires on 26th December 2019 and who has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with the Listing Regulations, as amended from time to time, and who is eligible for re-appointment for a second term under the provisions of the Companies Act, 2013, Rules made there under and Listing Regulations and whose term shall not be subject to retirement by rotation, to hold office for a term of 5 (five) consecutive years on the Board of the Company w.e.f. 27th December, 2019 up to 26th December, 2024.”

**“RESOLVED FURTHER THAT** Mr.K.Krishnam Raju, Whole Time Director of the Company be and is hereby authorised to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto”

**For and on behalf of the Board of  
Dr Habeebullah Life Sciences Limited**

**Sd/-**

**K. Krishnam Raju  
Executive Chairman (DIN: 00874650)**

**Place: Hyderabad  
Date: 02.12.2020**



**NOTES:**

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
3. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting’s agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at all members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.drhlsl.com](http://www.drhlsl.com)
7. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and MSEI Limited i.e. [www.msei.in](http://www.msei.in). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
8. Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business in the Notice is annexed hereto and forms part of this Notice. In pursuance of Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings, details in respect of the Directors seeking appointment/ re-appointment at the AGM, form part of this Notice.
9. The Register of Directors’ and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or arrangements in which the directors are interested under Section 189 of the Companies Act, 2013, will be available for inspection at the AGM.
10. Shareholders holding shares in physical form may write to the company/company’s R&T agents for any change in their address/bank mandate; shareholders holding shares in electronic form may inform the same to their depository participants immediately, where applicable.
11. Pursuant to Section 91 of the Companies Act, 2013, The Register of Members and Share Transfer books of the company will remain closed from 19.12.2020 to 26.12.2020 (both days inclusive).

12. Corporate Members are requested to send to the Company's Registrar & Transfer Agent, a duly certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorizing their representative to attend and vote at the Annual General Meeting.
13. The Securities and Exchange Board of India has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they have demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrar and Share Transfer Agents (**M/s. Venture Capital and Corporate Investments Private Limited.**)
14. Members holding shares in the same name under different ledger folios are requested to apply for consolidation of such folios and send the relevant share certificates to **M/s. Venture Capital and Corporate Investments Private Limited.**, Share Transfer Agents of the Company for doing the needful.
15. Since securities of the Company are traded compulsorily in dematerialized form as per SEBI mandate, members holding shares in physical form are requested to get their shares dematerialized at the earliest.
16. Members are requested to send their queries at least 10 days before the date of meeting so that information can be made available at the meeting.
17. In respect of shares held in physical mode, all shareholders are requested to intimate changes, if any, in their registered address immediately to the registrar and share transfer agent of the company and correspond with them directly regarding share transfer/transmission /transposition, Demat / Remat, change of address, issue of duplicate shares certificates, ECS and nomination facility.
18. In terms of Section 72 of the Companies Act, 2013, a member of the company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Members desirous of availing this facility may submit nomination in prescribed Form-SH-13 to the company/RTA in case shares are held in physical form, and to their respective depository participant, if held in electronic form.
19. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories.
20. Members may also note that the Notice of the 24th Annual General Meeting and the Annual Report for 2019-20 will also be available on the Company's website [www.drhlsl.com](http://www.drhlsl.com) for their download. For any communication, the shareholders may also send requests to the Company's investor email id: [investorrelations@drhlsl.com](mailto:investorrelations@drhlsl.com).
21. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
22. Instructions for e-voting and joining the AGM are as follows:

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

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Central Depository Services (India) Limited (CDSL) on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below.
- II. The remote e-voting period commences on 23<sup>rd</sup> day, December 2020 (9:00 a.m. IST) and ends on 25<sup>th</sup> day, December, 2020 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on 18<sup>th</sup> day, December, 2020 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.

- III. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- IV. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
- V. The details of the process and manner for remote e-voting are explained herein below:
- (i) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - (ii) Click on Shareholders tab.
  - (iii) Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - (iv) Next enter the Image Verification as displayed and Click on Login.
  - (v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
  - (vi) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
<b>PAN</b>	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
<b>Date of Birth (DOB)</b>	<p>Enter the Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <p>1. If the details are not recorded with the depository or company please enter the member id / folio number as mentioned in instruction (iii).</p>

After entering these details appropriately, click on "SUBMIT" tab.

- (vii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant <Dr Habeebullah Life Sciences Limited> on which you choose to vote.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be

displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

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

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

**C. NOTE FOR NON – INDIVIDUAL SHAREHOLDERS AND CUSTODIANS:**

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

**D. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING:**

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

scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company/RTA email id.

- (iii) The company/RTA shall co-ordinate with CDSL and provide the login credentials to the above mentioned shareholders.

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

- (i) Shareholder will be provided with a facility to attend the EGM/AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
- (ii) Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- (iii) Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- (iv) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 5 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at company email id viz; [investorrelations@drhsl.com](mailto:investorrelations@drhsl.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 5 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.

- (v) Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
1. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Shiva Prasad Venishetty, Senior Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futorex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533.

23. SEBI has decided that securities of the listed companies can be transferred only in dematerialized form which effective from 05.12.2018. In view of the above and to avail various benefits of dematerialization, members are advised to dematerialize shares held by them in physical form.
24. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 18.12.2020.
25. M/s. S S Reddy & Associates, Practicing Company Secretaries, has been appointed as the Scrutinizer to scrutinize the e-voting process in accordance with the law. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same. The Results shall be declared on or after the AGM of the Company.
26. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website and on the website of CDSL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited and MSEI Limited.

27. Pursuant to SEBI Circular SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018, shareholders holding shares in physical form whose folio do not have / have incomplete details with respect to PAN and bank particulars are mandatorily required to furnish the PAN and bank account details to the Company / Registrar & Transfer Agent (RTA) for registration under their folio. Further, as per the said circular all the unclaimed/ unpaid dividends also will be paid via electronic bank transfers only. Hence, the shareholders are requested to update their PAN and bank details.
28. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to share documents with its shareholders through an electronic mode. Members are requested to support this green initiative by registering/uploading their email addresses, in respect of shares held in dematerialized form with their respective Depository Participant and in respect of shares held in physical form with the Company's Registrar and Share Transfer Agents.

**For and on behalf of the Board of  
Dr Habeebullah Life Sciences Limited**

**Sd/-  
K. Krishnam Raju  
Executive Chairman (DIN: 00874650)**

**Place: Hyderabad  
Date: 02.12.2020**

**EXPLANATORY STATEMENT**

[Pursuant to Section 102 of the Companies Act, 2013]

**ITEM No. 3**

This Explanatory statement is provided as per Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) 2015

Pursuant to the provisions of Section 139 of the Act read with applicable Rules framed thereunder M/s. MSKA & Associates. Chartered Accountants, have resigned with effect from 14.11.2020 citing a reason that the company has substantially scaled down its operations and has proposed a substantial fee reduction which will not be feasible for them. The Audit Committee and the Board of Directors have placed on record their appreciation for the professional services rendered by M/s. MSKA & Associates., Chartered Accountants during their association with the Company as its auditors.

Any casual vacancy caused by resignation in the office of the Statutory Auditors can be filled up by the shareholders in a General Meeting as per recommendations made by the Board of Directors.

For the purpose of appointment of new Auditors, the Audit Committee along with the Management, invited proposals from the reputed firms of Chartered Accountants and had detailed discussion with representatives of those firms. The Committee considered various parameters such as reputation of the firm, knowledge and experience of the partners, understanding of business, technical assessment of the Audit skills and the Audit fees and based on these detailed analysis, the Audit Committee recommended M/s. A.M. Reddy & D.R. Reddy., Chartered Accountants (Firm Registration No.009068S), as the Company's new Statutory Auditor.

The Board in its meeting held on 02.12.2020 has approved the appointment of M/s. A.M. Reddy & D.R. Reddy., Chartered Accountants, Hyderabad (Firm Registration No. 009068S), as Statutory Auditors of the Company at a remuneration as fixed by the Board to fill the casual vacancy subject to approval of shareholders within 3 months from the date of recommendation/appointment. It is proposed to appoint M/s. A.M. Reddy & D.R. Reddy., as Statutory Auditors of the Company at remuneration fixed by the Board.

M/s A.M. Reddy & D.R. Reddy., is Anantapur based CA firm having its branch office at Hyderabad with over 20 years of experience. The firm has a staff of around 24 members including 3 partners. The firm has expertise in Accounting, Finance, Taxation, Auditing, Indian GAAP and Ind AS, Corporate Law etc. The firm's Major clients are from Banks and Public and Private companies.

M/s. A.M. Reddy & D.R. Reddy., Chartered Accountants, have given their consent to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be appointed as statutory auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

Accordingly, as per the said requirements of the Act, M/s A.M. Reddy & D.R. Reddy., Chartered Accountants (Firm Registration No.009068S) are proposed to be appointed as auditors for a period of 5 years, commencing from the conclusion of this Annual General Meeting (AGM) until the conclusion of the 29th AGM, to the Members for their approval.

The Board of Directors recommends the Ordinary Resolution for approval of the Members. None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in the resolution.

**Item No. 4 & 5**

The Members appointed Dr. Akka Jyothy and Dr. T.V. Rama Krishna Murthy as Independent Directors of the Company for a period of three years through Postal Ballot on 06.02.2017.

Dr. Akka Jyothy and Dr. T.V. Rama Krishna Murthy being eligible offers themselves for re-appointment as an Independent Director for five consecutive years w.e.f. 27.12.2019. The Company has received a notice from a member under Section 160 of the Companies Act 2013 for appointment of Dr. Akka Jyothy and Dr. T.V. Rama Krishna Murthy for the office of Director in Independent category and consent has been filed by Dr. Akka Jyothy and Dr. T.V. Rama Krishna Murthy pursuant to Section 152 of the Act.

The Board of Directors of the Company ('the Board') at the meeting held on 14th November, 2019, recommended to the Members, the re-appointment of Dr. Akka Jyothy and Dr. T.V. Rama Krishna Murthy as an Independent Directors of the Company with effect from 27.12.2019 to 26.12.2024, in terms of Section 149 read with Schedule IV of the Companies Act, 2013 ('the Act'), and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations 2015'), or any amendment thereto or modification thereof.

The Board is of the view that their continuous association would be of immense benefit to the Company, given the knowledge, experience and performance of Dr. Akka Jyothy and Dr. T.V. Rama Krishna Murthy, and it is desirable to continue to avail services of Dr. Akka Jyothy and Dr. T.V. Rama Krishna Murthy as an Independent Directors of the Company.

Declaration has been received from Dr. Akka Jyothy and Dr. T.V. Rama Krishna Murthy that they meet the criteria of Independence prescribed under Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16 of the Listing Regulations 2015. In the opinion of the Board, Dr. Akka Jyothy and Dr. T.V. Rama Krishna Murthy fulfils the conditions specified in the Act, the Rules there under and the Listing Regulations 2015 for re-appointment as an Independent Director and that they are independent to the management of the Company.

Additional information in respect of Dr. Akka Jyothy and Dr. T.V. Rama Krishna Murthy, pursuant to the Listing Regulations 2015 and the Secretarial Standard on General Meetings, is appearing later part of this report. Dr. Akka Jyothy and Dr. T.V. Rama Krishna Murthy does not hold any share in the Company, either in individual capacity or on a beneficial basis for any other person.

Accordingly the Board of Directors recommends the passing of the above resolutions as Special Resolutions as set out in the item no. 4 & 5 of the notice for reappointment of Dr. Akka Jyothy and Dr. T.V. Rama Krishna Murthy.

Save and except Dr. Akka Jyothy and Dr. T.V. Rama Krishna Murthy, Independent Directors, being appointees, none of the other Directors/Key Managerial Personnel and their relatives is in any way interested or concerned financially or otherwise, in the above Resolutions as set out in the notice.

**For and on behalf of the Board of  
Dr Habeebullah Life Sciences Limited**

**Sd/-  
K. Krishnam Raju  
Executive Chairman (DIN: 00874650)**

**Place: Hyderabad  
Date: 02.12.2020**



## DIRECTORS' REPORT

To  
The Members,  
Dr Habeebullah Life Sciences Limited

Your Directors have pleasure in presenting the 24th (Twenty Fourth) Directors Report on the business and operations of your Company ('the Company' or 'DRHABEEB') along with the audited Financial statements, for the Financial Year ended March 31st, 2020. The Consolidated performance of the Company and its subsidiaries has been referred to where required.

### 1. Financial summary/highlights:

The performance during the period ended 31st March, 2020 has been as under:

(Amount in INR)

Particulars	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Turnover/Income (Gross)	<b>14318627</b>	20144734	<b>14318627</b>	20144734
Other Income	<b>1581825</b>	1104569	<b>1581825</b>	1104569
Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	<b>15900452</b>	21249303	<b>15900452</b>	21249303
Less: Depreciation/ Amortization/ Impairment	<b>108374</b>	94493	<b>163064</b>	184413
Profit /loss before Finance Costs, Exceptional items and Tax Expense	<b>(18901601)</b>	(21418650)	<b>(20527312)</b>	(23547617)
Less: Finance Costs	-	-	-	-
Profit /loss before Exceptional items and Tax Expense	<b>(18901601)</b>	(21418650)	<b>(20527312)</b>	(23547617)
Add/(less): Exceptional items	-	-	-	-
Profit /loss before Tax Expense	<b>(18901601)</b>	(21418650)	<b>(20527312)</b>	(23547617)
Less: Tax Expense (Current & Deferred)	-	-	<b>(711011)</b>	(267736)
Profit / loss for the year (1)	<b>(18901601)</b>	(21418650)	<b>(19816302)</b>	(23279881)
Total Comprehensive Income/loss (2)	<b>184859</b>	63425	<b>184859</b>	63425
Total (1+2)	<b>(18716742)</b>	(21355225)	<b>(19631443)</b>	(23216456)
Balance of profit /loss for earlier years	<b>(50641175)</b>	(29222526)	<b>(56808849)</b>	(34434829)
Less: Transfer to Debenture Redemption Reserve	-	-	-	-
Less: Transfer to Reserves	-	-	-	-
Less: Dividend paid on Equity Shares	-	-	-	-
Less: Dividend paid on Preference Shares	-	-	-	-
Less: Dividend Distribution Tax	-	-	-	-
Balance carried forward	<b>(69542777)</b>	(50641175)	<b>(76179966)</b>	(56808849)

**2. Overview & state of the company's affairs:****Revenues – standalone**

During the year under review, the Company has recorded an income of Rs.159.01 Lakhs and profit / Loss of Rs.(189.01) Lakhs as against the income of Rs. 212.49 Lakhs and profit / Loss of Rs.(214.19) Lakhs in the previous financial year ending 31.03.2019.

**Revenues – Consolidated**

During the year under review, the Company has recorded an income of Rs.159.01 Lakhs and loss of Rs.(198.16) Lakhs as against the income of Rs. 212.49 Lakhs and loss of Rs. (232.80) Lakhs in the previous financial year ending 31.03.2019.

The Company is looking forward for good profit margins in near future.

**3. Global health pandemic from COVID-19**

The World Health Organization declared a global pandemic of the Novel Corona virus disease (COVID-19) on February 11, 2020. Our Diagnostics centre and Hospital was closed w.e.f. March 23, 2020 to May 31st, 2020 (70 days) due to lockdown and state government restrictions. Eventhough we got permission in May 2020 from concerned authorities, subject to fulfilment of certain conditions, to partially start health care operations, we have not started business due to some local issues (ie., Nearby colonies are under Containment and Red zone category) . We have started operations from 1st June, 2020. We are taking necessary preventive measures like social distancing, temperature testing, providing masks and sanitization facility to all employees, patients etc. to avoid any infection due to COVID- 19. Most of our employees are from local areas so we are not facing any issue of migrant labour. We have sufficient Raw Materials to start operations. However due to increase in the Covid -19 Cases in the city of Hyderabad, the Board has decided that to ensure the safety and well being of its employees, workmen and all stakeholders and to prevent the spread of COVID-19, the Company has suspended its operations since 10.06.2020 and the management will review about the reopening of centre after some time.

We have extended support to the employees impacted by this pandemic. The Company would implement a phased and safe return-to-work plan as and when lockdown restrictions are relaxed.

**4. Dividend:**

Since the Company is yet to start generating profits, your Directors have decided not to recommend dividend for the year.

**5. Transfer to reserves:**

Pursuant to provisions of Section 134 (3) (j) of the Companies Act, 2013, the company has not proposed to transfer any amount to general reserves account of the company during the year under review.

**6. Material changes & commitment affecting the financial position of the company :**

There were no material changes and commitments affecting financial position of the company between 31st March and the date of Board's Report. (i.e. 29.07.2020)

**7. Revision of financial statements:**

There was no revision of the financial statements for the year under review.

**8. Significant & material orders passed by the regulators or courts or tribunals:**

No significant or material orders have been passed against the Company by the Regulators, Courts or Tribunals, which impacts the going concern status and company's operations in future.

**9. Transfer of un-claimed dividend to Investor Education and Protection:**

There is no such amount of Un-paid or Unclaimed Dividend be transferred to Investor and Education and Protection Fund for the financial year ended 31st March 2020.

**10. Change in the nature of business, if any:**

During the period under review and the date of Board's Report there was no change in the nature of Business.

**11. Deposits from public:**

The Company has not accepted any public deposits during the Financial Year ended March 31, 2020 and as such, no amount of principal or interest on public deposits was outstanding as on the date of the balance sheet.

Details of deposits not in compliance with the requirements of the Act:

Since the Company has not accepted any deposits during the Financial Year ended March 31, 2020, there has been no non-compliance with the requirements of the Act.

Pursuant to the Ministry of Corporate Affairs (MCA) notification dated 22nd January 2019 amending the Companies (Acceptance of Deposits) Rules, 2014, the Company is required to file with the Registrar of Companies (ROC) requisite returns in Form DPT-3 for outstanding receipt of money/loan by the Company, which is not considered as deposits.

The Company would be complying with this requirement within the prescribed timelines.

**12. Depository System:**

SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 mandate that the transfer, except transmission and transposition, of securities shall be carried out in dematerialized form only with effect from 1st April 2019. In view of the numerous advantages offered by the Depository system as well as to avoid frauds, members holding shares in physical mode are advised to avail of the facility of dematerialization from either of the depositories. The Company has, directly as well as through its RTA, sent intimation to shareholders who are holding shares in physical form, advising them to get the shares dematerialized.

**13. Consolidated IND AS financial statements:**

In compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the 'Listing Regulations') and Section 129 of the Companies Act, 2013, the Consolidated Financial Statements which have been prepared by the Company in accordance with the applicable provisions of the Companies Act, 2013 and the applicable Indian Accounting Standards (Ind AS) forms part of this Annual Report.

**14. Subsidiary companies:**

The Company has one Subsidiary – Krisani Bio Sciences Private Limited, India.

Krisani Bio Sciences Pvt. Ltd (Krisani Bio), is an innovative biopharmaceutical Company with focus on design and development of high reward molecules with reduced risk to address large unmet medical and market needs.

The division has till date worked on 5 therapeutic areas of Wilson's disease, Non-Alcoholic Steatohepatitis (NASH), Neuropathic Pain, Cardiovascular Diseases, Cystinosis, Huntington's disease and has been granted 12 international patents. Most of the above molecules have the ability to qualify for 505(b) 2 approval process as per USFDA. Adopting the concept of prodrug and selection of orphan drugs enables Less time frame, cost, and regulatory hurdles in comparison with New Chemical Entities.

The new drug discovery and development process of Dr Habeebullah Life Sciences is based on IP protected, low risk innovative platform. This, coupled with the strategy of selecting orphan drug category for the product portfolio gives the Company an added advantage to commercialize its NME's at a proof-of-concept stage.

A statement containing salient features of the financial statements of the subsidiaries in the prescribed format Form **AOC-1** is appended as **Annexure I** to the Director's Report. The statement also provides details of performance and financial position of the subsidiary.

As required under Section 136 of the Companies Act, 2013 the audited financial statements including the consolidated financial statements and related information of the Company and Audited Accounts of Subsidiary are available on the website <http://www.drhsl.com/investor/financials/#1514180834590-5156aacd-d874>. These documents will also be available for inspection during the business hours at the registered office of the Company and any member, who wishes to get copies of such financial statements, may write to the Company for such requirement.

#### 15. Companies which have become or ceased to be subsidiaries:

During the FY 2019-20, there was no change in subsidiaries, further analysis on the consolidated performance, attention is invited to the section on Management Discussion and Analysis, notes to the consolidated financial statements.

#### 16. Patents Filed Or Assigned In The Name Of Company:

Application Number	Title	Patent No. / Status
201741042838	Bioengineered humanized endocrine neo-organ using decellularized spleen matrices	PCT/IN2018/050183
201741040487	A miRNA prognostic panel in combination with viral load for assessment of disease status, therapeutic response and relapse in HCV patients	PCT/IN2018/050184
201641035316	Drug conjugated ultra-small nanoparticle for effective killing of drug resistant cancer cells	PCT/IB2017/056384
201741026728	A neural conduit to reconstitute and regenerate the degenerated or damaged nervous system	PCT Filed
201841012280	Method of MRI-based cellular imaging using differential fractionation of bimetallic FeGdO <sub>3</sub> nanoparticles	PCT Filed

#### 17. Selection and procedure for nomination and appointment of directors:

The Company has a Nomination and Remuneration Committee ("NRC") which is responsible for developing competency requirements for the Board, based on the industry and strategy of the Company. The Board composition analysis reflects an in-depth understanding of the Company, including its strategies, environment, operations, and financial condition and compliance requirements.

The NRC makes recommendations to the Board in regard to appointment of new Directors and Key Managerial Personnel ("KMP") and senior management. The role of the NRC encompasses conducting a gap analysis to refresh the Board on a periodic basis, including each time a Director's appointment or re-appointment is required. The NRC is also responsible for reviewing the profiles of potential candidates' vis-à-vis the required competencies, undertake a reference and due diligence and meeting of potential candidates prior to making recommendations of their nomination to the Board.

The appointee is also briefed about the specific requirements for the position including expert knowledge expected at the time of appointment.

#### 18. Criteria for determining qualifications, positive attributes and independence of a director:

In terms of the provisions of Section 178(3) of the Act, and Regulation 19 of the Listing Regulations, the NRC has formulated the criteria for determining qualifications, positive attributes and independence of Directors, the key features of which are as follows:

**Qualifications** – The Board nomination process encourages diversity of thought, experience, knowledge, age and gender. It also ensures that the Board has an appropriate blend of functional and industry expertise.

**Positive Attributes** - Apart from the duties of Directors as prescribed in the Act the Directors are expected to demonstrate high standards of ethical behaviour, communication skills and independent judgment. The Directors are also expected to abide by the respective Code of Conduct as applicable to them.

**Independence** - A Director will be considered independent if he / she meets the criteria laid down in Section 149(6) of the Act, the Rules framed there under and Regulation 16(1) (b) of the Listing Regulations.

#### 19. Training of Independent Directors:

Your Company's Independent Directors are highly qualified and have been associated with corporate and business organizations. They understand Company's business and activities very well, however, pursuant to Regulation 4 of the Listing Regulations, the Board has shown all the Independent Directors Company's business and manufacturing activities and were also introduced to Company's staff.

#### 20. Independent director's familiarization programmes:

The familiarization program aims to provide the Independent Directors with the scenario within the software technology/services, the socio-economic environment in which the Company operates, the business model, the operational and financial performance of the Company, significant development so as to enable them to take well-informed decisions in timely manner. The familiarization programme also seeks to update the Directors on the roles, responsibilities, rights and duties under the Act and other statutes. The policy on Company's familiarization programme for Independent Directors is hosted on your Company's website and its web link is <http://www.drhlsl.com>

#### 21. Board Evaluation

The Board of Directors of the Company carried out annual evaluation of its own performance, Committees of the Board and individual Directors pursuant to various provisions under the Act, Regulation 17, 19 and Schedule II of the Listing Regulations, the SEBI circular dated January 5, 2017, circular dated January 10, 2019, which provides further clarity on the process of Board Evaluation ("SEBI Guidance Note") and SEBI circular dated February 5, 2019.

The Company has implemented a system of evaluating performance of the Board of Directors and of its Committees and individual Directors on the basis of a structured questionnaire which comprises evaluation criteria taking into consideration various performance related aspects.

The procedure followed for the performance evaluation of the Board, Committees and individual Directors is enumerated in the Corporate Governance Report.

#### 22. Number of Board the Meetings:

During the year, Seven (7) meetings of the Board of Directors of the Company were convened and held in accordance with the provisions of the Act. The date(s) of the Board Meeting, attendance by the directors are given in the Corporate Governance Report forming an integral part of this report.

#### 23. Committees of the Board

There are various Board constituted Committees as stipulated under the Act and Listing Regulations namely Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship and Risk Management Committee. Brief details pertaining to composition, terms of reference, meetings held and attendance thereat of these Committees during the year has been enumerated in Corporate Governance report.

#### 24. Company's Operations

The Company is into the business of Health Care diversified into the following areas:

- Out-Patient Consultancy Division in name of ORIGIN HOSPITALS
- Diagnostics and Bio Lab
- Pharmacy
- Stem Cell – Lab, Research and Therapy
- Research and Development in Bio-technology
- New Drug Discovery including New Molecular Entity (NME – Pro Drug)

**25. Audit Committee Recommendations :**

During the year, all recommendations of Audit Committee were approved by the Board of Directors.

**26. Directors and key managerial personnel:**

The Board of Directors of your Company comprises of 6 (Six) Directors as on the date of this report representing the optimum blend of professionalism, knowledge and having varied experience in different discipline of corporate functioning.

Of these, 1 (ONE) is Whole-time Director Cum Promoter Executive Chairman, 2 (TWO) are Promoter Non-Executive Directors and 3 (THREE) are Independent Non-Executive Directors and is also in compliance w.r.t presence of Chief Financial Officer and Company Secretary as KMPs.

**a) Appointment /Re-Appointment of Directors of the Company:**

- (i) Pursuant to provisions of Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, DR. Mohammed Aejaz Habeeb (DIN 02265024) is liable to retire by rotation at the ensuing 24th Annual General Meeting and being eligible offers himself for re-appointment.
- (ii) Dr. Akka Jyoti and Dr. T.V. Rama Krishna Murthy, Independent Directors of the Company, term has ended on 26.12.2019. However, Board in its meeting held on 14.11.2019, has approved the reappointment of Dr. Akka Jyoti and Dr. T.V. Rama Krishna Murthy as Independent Directors of the Company for the second term i.e. for a period of 5 years w.e.f. 27.12.2019 to 26.12.2024.
- (iii) Disclosure pursuant to Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") with respect to Directors seeking re-appointment/appointment at the Meeting is given below:

Name of the Director	Dr. Akka Jyoti	Dr. T.V. Rama Krishna Murthy	DR. Mohammed Aejaz Habeeb
Date of Birth	20/01/1956	15/04/1967	19/01/1966
Qualification	Ph.D, PDF	MBBS	M.D (General Medicine), DM (Gastroenterology) Ph D in Bio-technology
Expertise in specific functional areas	Former Director and Emeritus Professor, Institute of Genetics and Hospital for Genetic Diseases. Osmania University	Consultant Neurosurgeon	Consultant and Physician, Gastroenterologist
Names of Listed entities in which the person also holds the directorship and the membership of Committees of the board	NIL	NIL	NIL
Shareholding of non-executive directors:	NIL	NIL	17,79,124
No. of Shares held in the Company	NIL	NIL	NIL
Inter se relationship with any Director	NIL	NIL	Related to One Promoter, non-executive Director

**b) Key Managerial Personnel:**

Key Managerial Personnel for the financial year 2019-20

- Mr. K. Krishnam Raju, Whole Time Director of the company.
- Mr. K.N.V Narendra Kumar, Chief Financial Officer of the company.
- Ms. Neha Kankariya, Company Secretary of the Company.

During the year under review, Ms. Neha Kankariya, was appointed as the Company Secretary of the Company with effect from February 1st, 2020 in place of Mrs. K. Ramyanka Yadav who ceased to be the Company Secretary of the Company w.e.f. December 18th, 2019 due to her resignation. During the year under review, Mr. K.N.V Narendra Kumar, was appointed as the Chief Financial Officer of the Company with effect from February 14th, 2020 in place of Ms. K. Nirusha who ceased to be the Chief Financial Officer of the Company w.e.f. February 14th, 2020 due to her resignation.

**27. Statutory Auditors:**

The members of the Company at their Annual General Meeting held on 28th September, 2018 have appointed M/s. MSKA & Associates, as statutory auditors of the Company to hold office until the conclusion of 27th Annual General meeting of the Company. The Auditors' Report is enclosed with the financial statements in this Annual Report. The Company has received audit report with unmodified opinion for both Standalone and Consolidated audited financial results of the Company for the Financial Year ended March 31, 2020 from the statutory auditors of the Company.

The Auditors have confirmed that they have subjected themselves to the peer review process of Institute of Chartered Accountants of India (ICAI) and hold valid certificate issued by the Peer Review Board of the ICAI.

**28. Internal auditors:**

Pursuant to provisions of Section 138 read with Rule 13 of the Companies (Accounts) Rules, 2014 and Section 179 read with Rule 8(4) of the Companies (Meetings of Board and its Powers) Rules, 2014; M/s. Tungala & Co., Chartered Accountants were appointed as Internal Auditors of the Company for the Financial Year 2019-20.

Deviations are reviewed periodically and due compliance ensured. Summary of Significant Audit Observations along with recommendations and its implementations are reviewed by the Audit Committee and concerns, if any, are reported to Board.

The Board has re-appointed M/s. Tungala & Co., Chartered Accountants, Hyderabad as Internal Auditors for the Financial Year 2020-21.

**29. Secretarial auditors:**

In terms of section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, based upon the recommendations of the Audit Committee, the Board of Directors had appointed M/s. S.S. Reddy & Associates, Practicing Company Secretaries (CP No. 7478) as the Secretarial Auditor of the Company, for conducting the Secretarial Audit for financial year ended March 31, 2020.

**30. Qualifications in audit reports:**

Explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made, if any —

**(a) Statutory Auditors Report:**

The Board has duly reviewed the Statutory Auditor's Report on the Accounts for the year ended March 31, 2020 and has noted that the same does not have any reservation, qualification or adverse remarks. However, the Board decided to further strengthen the existing system and procedures to meet all kinds of challenges and growth in the market expected in view of the rapid global challenges.

The Auditors Report annexed with this Annual Report, does not contain any qualification, reservation or adverse remarks.

**(b) Secretarial Audit Report:**

The Secretarial Audit was carried out by S.S. Reddy & Associates, Company Secretaries (CP No. 7478) for the financial year ended March 31, 2020. The Report given by the Secretarial Auditor is annexed herewith and forms integral part of this Report. There has been no qualification, reservation or adverse remark or disclaimer in their Report.

As required under the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Secretarial Audit of DR Habeebullah Life Sciences Limited for the year ended March 31, 2020 is provided in the report. The Company does not have any material unlisted Subsidiaries.

**31. No Frauds reported by statutory auditors**

During the Financial Year 2019-20, the Auditors have not reported any matter under section 143(12) of the Companies Act, 2013, therefore no detail is required to be disclosed under section 134(3) (ca) of the Companies Act, 2013.

**32. Authorised and paid up capital of the company:**

The authorized capital of the company stands at Rs. 16,00,00,000/- divided into 1,60,00,000 equity shares of Rs. 10/- each and the Paid up Capital of the Company has increased from INR 13,80,87,060/- divided into 1,38,08,706 Equity Shares of INR 10/- each to INR 14,80,87,060/- divided into 1,48,08,706 Equity Shares of INR 10/- each.

**33. Annual Secretarial Compliance Report:**

SEBI vide its Circular No. CIR/CFD/CMD1/27/2019 dated February 08, 2019 read with Regulation 24(A) of the Listing Regulations, directed listed entities to conduct Annual Secretarial compliance audit from a Practising Company Secretary of all applicable SEBI Regulations and circulars/guidelines issued there under. Further, Secretarial Compliance Report dated 27.07.2020, was given by M/s. S.S. Reddy & Associates, Practising Company Secretary which was submitted to Stock Exchanges.

The Secretarial Compliance Report contains a qualification that the MSEI has advised the company to update its website and has updated the same.

**34. Cost records and cost audit:**

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Act, are not applicable for the business activities carried out by the Company.

**35. Declaration by the Company**

The Company has issued a certificate to its Directors, confirming that it has not made any default under Section 164(2) of the Act, as on March 31, 2020.

M/s S.S. Reddy & Associates has issued a certificate pursuant to Schedule V of SEBI LODR Regulations, 2015 that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority as Annexure IX.

**36. Conservation of energy, technology absorption and foreign exchange outgo:**

The required information as per Sec.134 (3) (m) of the Companies Act 2013 is provided hereunder and Rule 8 of Companies (Accounts) Rules, 2014:

**A. Conservation of Energy:**

Your Company's operations are not energy intensive. Adequate measures have been taken to conserve energy wherever possible by using energy efficient computers and purchase of energy efficient equipment.



**B. Technology Absorption:**

1. Research and Development (R&D): NIL
2. Technology absorption, adoption and innovation: NIL

**C. Foreign Exchange Earnings and Out Go:**

1. Foreign Exchange Earnings: Nil
2. Foreign Exchange Outgo: Nil

**37. Management discussion and analysis report:**

Management discussion and analysis report for the year under review as stipulated under Regulation 34 (e) read with schedule V , Part B of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 with the stock exchange in India is annexed herewith as Annexure- II to this report.

**38. Risk management policy:**

The Board of Directors had constituted Risk Management Committee to identify elements of risk in different areas of operations and to develop policy for actions associated to mitigate the risks. The Committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continual basis.

**39. Corporate governance:**

Your Company has taken adequate steps to ensure compliance with the provisions of Corporate Governance as prescribed under the Listing Regulations. A separate section on Corporate Governance, forming a part of this Report and the requisite certificate from the Company's Auditors confirming compliance with the conditions of Corporate Governance is attached to the report on Corporate Governance

**40. Extract of Annual Return:**

Pursuant to Sections 92 & 134(3) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of Annual Return in Form MGT- 9 is provided in Annexure –III to this Report and is also available on the Company's website URL: <https://www.drhlsl.com>

**41. Declaration of independence:**

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Regulation 16(1)(b) read with Regulation 25 of the Listing Regulations.

The Independent Directors have also confirmed that they have complied with Schedule IV of the Act and the Company's Code of Conduct.

In terms of Regulations 25(8) of the Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

During the year, Independent Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board of Directors and Committee(s).

**42. Policy on directors appointment and remuneration:**

In adherence to the provisions of Section 134(3)(e) and 178(1) & (3) of the Companies Act, 2013, the Board of Directors upon recommendation of the Nomination and Remuneration Committee approved a policy on Director's appointment and remuneration, including, criteria for determining qualifications, positive attributes, independence of a Director and other matters. The said Policy extract is covered in Corporate Governance Report which forms part of this Report and is also uploaded on the Company's website at [www.drhlsl.com](http://www.drhlsl.com)

**43. Managerial Remuneration and particulars of employees**

Information pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as Annexure- IV to this report.

Information pursuant to Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 pertaining to the top ten names and other particulars of employees also form part of this report.

**44. Ratio of Remuneration To Each Director**

Under section 197(12) of the Companies Act, 2013, and Rule 5(1) (2) & (3) of the Companies (Appointment & Remuneration) Rules, 2014 read with Schedule V of the Companies Act, 2013 the ratio of remuneration of Wholetime Director cum Chairman (Mr K. Krishnam Raju) of the Company to the median remuneration of the employees is 15.74:1.

**45. Director's Responsibility Statement:**

In accordance with the provisions of Section 134(5) of the Companies Act, 2013, your Directors confirm that:

- a) in the preparation of the annual accounts for the financial year ended 31 March 2020, the applicable accounting standards and schedule III of the Companies Act, 2013 have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as on 31 March 2020 and of the profit and loss of the Company for the financial year ended 31 March 2020;
- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) The annual accounts have been prepared on a going concern basis;
- e) Proper internal financial controls laid down by the Directors were followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) Proper systems to ensure compliance with the provisions of all applicable laws were followed and that such systems were adequate and operating effectively.

**46. Vigil Mechanism/Whistle Blower Policy:**

The Board of Directors has formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177(10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations. The Company has a vigil mechanism to deal with fraud and mismanagement, if any. The policy is on the website of the Company.

The policy provides for adequate safeguards against the victimisation of the employees who use the vigil mechanism. The vigil mechanism is overseen by the audit Committee.

**47. Corporate social responsibility policy:**

Since your Company does not have net worth of Rs. 500 Crore or more or turnover of Rs. 1000 Crore or more or a net profit of Rs. 5 Crore or more during the financial year, section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility is not applicable and hence the Company need not adopt any Corporate Social Responsibility Policy.

**48. Secretarial Standards:**

The company is in compliance with Secretarial Standards issued by The Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings.

**49. Insurance:**

The properties and assets of your Company are adequately insured.

**50. Particulars of loans, guarantees:**

The Company has not availed any facilities of Credit and Guarantee.

**51. Internal Financial Control Systems:**

Your Company has well laid out policies on financial reporting, asset management, adherence to Management policies and also on promoting compliance of ethical and well defined standards. The Company follows an exhaustive budgetary control and standard costing system. Moreover, the management team regularly meets to monitor goals and results and scrutinizes reasons for deviations in order to take necessary corrective steps. The Audit Committee which meets at regular intervals also reviews the internal control systems with the Management and the internal auditors.

The internal audit is conducted at the Company and covers all key areas. All audit observations and follow up actions are discussed with the Management as also the Statutory Auditors and the Audit Committee reviews them regularly.

**52. Related Party Transactions:**

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. During the financial year 2019-20, there were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

In line with provisions of Section 177 of the Act read with the Companies (Meetings of the Board and its Powers) Rules, 2014, omnibus approval for the estimated value of transactions with the related parties for the financial year is obtained from the Audit Committee. The transactions with the related parties are routine and repetitive in nature.

The summary statement of transactions entered into with the related parties pursuant to the omnibus approval so granted are reviewed and approved by the Audit Committee and the Board of Directors on a quarterly basis. The summary statements are supported by an independent audit report certifying that the transactions are at an arm's length basis and in the ordinary course of business

The Form AOC-2 pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is annexed herewith as Annexure- V to this report.

**53. Code of Conduct for Prevention of Insider Trading :**

During the year, DR Habeebullah Life Sciences Ltd has amended the Code of Conduct for Prevention of Insider Trading in DR HABEEB ("Code") in accordance with SEBI (Prohibition of Insider Trading) Amendment Regulations, 2018, which is effective from April 01, 2019. The amended Code is uploaded on the website of the Company. The objective of the Code is to protect the interest of shareholders at large, to prevent misuse of any unpublished price sensitive information and to prevent any insider trading activity by dealing in shares of the Company by its Directors, Designated Persons and their immediate relatives.

Pursuant to Section 134(3) of the Companies Act, 2013, the nomination and remuneration policy of the Company which lays down the criteria for determining qualifications, competencies, positive attributes and independence for appointment of Directors and policies of the Company relating to remuneration of Directors, KMP and other employees is available on the Company's website at [www.drhlsl.com](http://www.drhlsl.com).

**54. Policies:**

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandated the formulation of certain policies for all listed companies. All the policies are available on our website [www.drhlsl.com](http://www.drhlsl.com).

The policies are reviewed periodically by the Board and updated based on need and new compliance requirement

Name of the policy	Brief Description	Website link
Board Diversity Policy	At DRHLSL, we believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help us retain our competitive advantage. The Board has adopted the Board Diversity Policy which sets out the approach to diversity of the Board of Directors.	<a href="http://www.drhsl.com/wp-content/uploads/2018/06/Board-Diversity-Policy.pdf">http://www.drhsl.com/wp-content/uploads/2018/06/Board-Diversity-Policy.pdf</a>
Nomination and Remuneration Policy	This policy formulates the criteria for determining qualifications, competencies, positive attributes and independence for the appointment of a director (executive / non-executive) and also the criteria for determining the remuneration of the directors, key managerial personnel and other employees.	<a href="http://www.drhsl.com/wp-content/uploads/2018/06/Nomination-&amp;-Remuneration-Policy.pdf">http://www.drhsl.com/wp-content/uploads/2018/06/Nomination-&amp;-Remuneration-Policy.pdf</a>
Policy on Material Subsidiaries	The policy is used to determine the material subsidiaries and material non-listed Indian subsidiaries of the Company and to provide the governance framework for them.	<a href="http://www.drhsl.com/wp-content/uploads/2018/06/Policy-for-determining-Material-Subsidiaries.pdf">http://www.drhsl.com/wp-content/uploads/2018/06/Policy-for-determining-Material-Subsidiaries.pdf</a>
Related Party Transaction Policy	The policy regulates all transactions between the Company and its related parties.	<a href="http://www.drhsl.com/wp-content/uploads/2018/06/Policy-on-Related-Party-Transactions.pdf">http://www.drhsl.com/wp-content/uploads/2018/06/Policy-on-Related-Party-Transactions.pdf</a>
Corporate Social Responsibility Policy	Your Company does not meet applicable requirements i.e.net worth of INR 500 Crore or more, or turnover of INR 1000 Crore or more, or a net profit of INR 5 Crore as specified in section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility. Hence, the Company did not constitute Corporate Social Responsibility Committee and Policy.	Not Applicable

**55. Disclosure with respect to demat suspense account / unclaimed suspense account.**

Your company does not have any Unclaimed shares issued in physical form pursuant Public issue/Rights Issue etc.

**56. Non-executive directors' compensation and disclosures:**

None of the Independent / Non-Executive Directors has any pecuniary relationship or transactions with the Company which in the Judgment of the Board may affect the independence of the Directors.

**57. Industry based disclosures as mandated by the respective laws governing the company:**

The Company is not a NBFC, Housing Companies etc., and hence Industry based disclosures is not required.

**58. WTD/CFO Certification:**

As required Regulation 17(8) read with Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the WTD/CFO certification is attached with the annual report as Annexure- VI.

**59. a. CODE OF CONDUCT**

The Company has formulated and implemented a Code of Conduct for Board Members and Senior Management of the Company. Requisite annual affirmations of compliance with the respective Codes have been made by the Directors and Senior Management of the Company.

Declaration on Code of Conduct for the year 2019-20

This is to confirm that the Board has laid down a code of conduct as per Regulation 17(5) of the Listing Regulations for all Board members and senior management personnel of the Company. The code of Conduct has also been posted on the website of the Company and can be accessed at <http://www.drhsl.com/wp-content/uploads/2018/06/Code-of-Conduct-BOD-Senior-Mgmt.pdf>

It is further confirmed that all Directors and senior management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended on March 31, 2020 as envisaged in Regulation 26(3) of the Listing Regulations. A declaration to this effect signed by Mr. K. Krishnam Raju, Whole-time Director (DIN 00874650) is attached as Annexure –VII

**60. Prevention of sexual harassment at workplace:**

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition, and Redressal of Sexual Harassment at workplace.

This is in line with provisions of the Sexual Harassment of Women at Work place (Prevention, Prohibition and Redressal) Act, 2013 ('POSH Act') and the Rules made there under. With the objective of providing a safe working environment, all employees (permanent, contractual, temporary, trainees) are covered under this Policy. The policy is available on the website at [www.drhsl.com](http://www.drhsl.com).

As per the requirement of the POSH Act and Rules made there under, the Company has constituted an Internal Committee at all its locations known as the Prevention of Sexual Harassment (POSH) Committees, to inquire and redress complaints received regarding sexual harassment. During the year under review, there were no Complaints pertaining to sexual harassment.

**61. Corporate Insolvency Resolution Process Initiated Under The Insolvency And Bankruptcy Code, 2016 (IBC):**

There is no application filed for corporate insolvency resolution process, by a financial or operational creditor or by the company itself under the IBC before the NCLT.

**62. Green Initiatives:**

In commitment to keep in line with the Green Initiative and going beyond it to create new green initiatives, electronic copy of the Notice of 24th Annual General Meeting of the Company are sent to all Members whose email addresses are registered with the Company/Depository Participant(s).

**63. Other Disclosures:**

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

- a. Issue of equity shares with differential rights as to dividend, voting or otherwise.
- b. Issue of shares (including sweat equity shares) to employees of the Company under any scheme referred to in this Report.
- c. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.

**64. EVENT BASED DISCLOSURES**

During the year under review, the Company has taken up any of the following activities:

1. Issue of sweat equity share: NA
2. Issue of shares with differential rights: NA
3. Issue of shares under employee's stock option scheme: NA
4. Disclosure on purchase by company or giving of loans by it for purchase of its shares: NA
5. Buy back shares: NA
6. Disclosure about revision: NA
7. Preferential Allotment: The Company has allotted 10,00,000 equity shares on par to the promoters on 14.06.2019 on conversion of warrants.

**65. Appreciations & Acknowledgements:**

Your Directors wish to express their appreciation for the valuable support and co-operation received from Customers, Investors, Lenders, Business Associates, Bankers, NSDL, CDSL, RTA, SEBI, BSE, MSEI, and Society at large. The Directors also thank the Government of India, Government of Telangana and other State Governments, Ministry of Corporate Affairs, Ministry of Commerce, Ministry of Communication & Technology, Ministry of Finance, Income Tax Department, Reserve Bank of India, Governments of various countries, other Government Departments, Agencies. Your Directors are especially indebted to employees of the Company and its subsidiary at all levels, who through their dedication, co-operation, support and dynamic work, have enabled the Company to achieve rapid growth. Your Directors seek, and look forward to the same support during the future years of growth.

**For and on behalf of the Board of  
Dr Habeebullah Life Sciences Limited**

Sd/-

**K. Krishnam Raju  
Executive Chairman (DIN: 00874650)**

**Place: Hyderabad  
Date: 29.07.2020**

**ANNEXURE-I****Form AOC-1**

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

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2020**

**Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/ Joint Ventures.**

**PART A- Subsidiaries (Amount in INR)**

Sl. No.	Particulars	Details
1.	Name of the subsidiary	Krisani Bio Sciences Private Limited (KBSPL)
2.	The date since when subsidiary was acquired	Wednesday, 24th August, 2016 (Board approval) Thursday, 13th October, 2016 (Members approval for Preferential allotment on STOCK SWAP basis to KBSPL)
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01st April, 2019 to 31st March, 2020
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable
5.	Share capital	Authorized – 15,00,00,000/- Paid Up Capital – 11,43,32,000/-
6.	Reserves & surplus	(3,20,32,482)
7.	Total assets	16,54,82,682
8.	Total Liabilities	8,32,58,164
9.	Investments	75,000
10.	Turnover (other income)	-
11.	Profit before taxation	(16,25,711)
12.	Provision for taxation / Deferred Tax	(7,11,011)
13.	Profit after taxation	(9,14,700)
14.	Proposed Dividend	NIL
15.	Extent of shareholding	58, 68,200 Equity Shares (51.33%)

**Note:**

1. Name of the Subsidiaries which are yet to commence operations: NIL
2. Name of Subsidiaries liquidated or sold or struck during the year: NIL

**PART B – Associates and Joint Ventures**

The Company does not have any Associate or Joint Venture.

**FORM MR-3**  
**SECRETARIAL AUDIT REPORT**  
**(Pursuant to section 204(1) of the Companies Act, 2013 and**  
**Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014**  
**FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2020**

To  
The Members of  
**Dr Habeebullah Life Sciences Limited**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Dr Habeebullah Life Sciences Limited** (hereinafter called "the Company"). Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the financial year commencing from 1st April, 2019 and ended 31st March, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board process and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by Dr Habeebullah Life Sciences Limited ("The Company") for the financial year ended 31st March, 2020, according to the provisions of:
  - I. The Companies Act, 2013 (the Act) and the rules made there under ;
  - II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
  - III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.
  - IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment (FDI) and Overseas Direct Investment and External Commercial Borrowings;
2. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - i. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **Complied with yearly and event based disclosures.**
  - ii. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and Amended Regulations 2018; **The Company has framed code of conduct for regulating & reporting trading by insiders and for fair disclosure and displayed the same on the Company's website i.e. www.drhlsl.com.**
  - iii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **The Company has allotted 10,00,000 Equity Shares to the promoters pursuant to Conversion of Warrants into Equity Shares on 14th June, 2019. The Company has complied with all the applicable provisions of said Regulations.**
  - iv. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. **Not Applicable as the Company has not issued any debt securities during the year under review.**
  - v. The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client; **Not Applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the year under review. However the company has Venture Capital and Corporate Investments Private Limited as its Share Transfer Agent.**
  - vi. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable as the Company has not delisted/propose to delist its equity shares from any Stock Exchange during the financial year under review;**



- vii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018: **Not Applicable as the Company has not bought back/ proposed to buy-back any of its securities during the year under review.**
- viii. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **Not applicable as the Company has not offered any shares or granted any options pursuant to any employee benefit scheme during the period under review;**
- ix. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has framed the policies as mentioned below and displayed the same on the Company's website i.e www.drhsl.com
- Board Diversity Policy
  - Code of Conduct - BOD & Senior Management
  - Document Retention - Archival Policy
  - Familiarization Policy & Evaluation
  - Code for Prevention of Insider Trading
  - Nomination & Remuneration Policy
  - Policy on Sexual Harassment
  - Policy on Materiality of Disclosures
  - Policy on Related Party Transactions
  - Terms-Appointment of Independent Directors
  - Vigil Mechanism - Whistle Blower Policy

The other laws, as informed and certified by the management of the Company which, are specifically applicable to the Company based on their sector/ industry are:

- The Payment of Gratuity Act, 1972
  - Employees Provident Fund and Miscellaneous Provisions Act, 1952
  - Employees State Insurance Act, 1948
  - Income Tax Act, 1961
  - Minimum Wages Act, 1948
  - Payment of Bonus Act, 1965
  - Payment of Wages Act, 1936
  - Goods and Services Tax Act, 2016 and its Rules
  - Shops and Establishments Act, 1948
  - Trade Licence from Greater Hyderabad Municipal Corporation
  - Acts relating to Pharmaceuticals and Bio-Pharma Sector
- a) Drugs and Cosmetic Act 1940
- b) T.S. Allopathic Private Medical Care Establishments Registration and Regulation Act, 2002

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

1. Secretarial Standards issued by The Institute of Company Secretaries of India.
2. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 were complied with to the extent applicable.
3. Listing Agreements entered into by the Company with BSE Limited and Metropolitan Stock Exchange of India Limited.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above including the following:

- a) During the year the Company has conducted 7 meetings of the Board of Directors, 4 meetings of the Audit committee, 4 Meeting of Stakeholder Relationship Committee, 3 meeting of Nomination & remuneration Committee and 1 meeting of Independent Directors. We have also examined compliance with the applicable clauses of the Secretarial Standards issued by the Institute of Company secretaries of India.
- b) As per the information and explanations provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we report that
- I. The provisions of the Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of:
- External Commercial Borrowings were not attracted to the Company under the financial year under report;
  - Foreign Direct Investment (FDI) was complied by the company under the financial year under report;
  - Overseas Direct Investment by Residents in Joint Venture/Wholly Owned Subsidiary abroad was not attracted to the company under the financial year under report.
- II. As per the information and explanations provided by the company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we report that the Company has not made any GDRs/ADRs or any Commercial Instrument under the financial year under report.

**We further report that:-**

- a) The Company has a Chief Financial Officer (CFO) namely Mr. Nagavenkata Narendra Kumar Konagalla.
- b) The Company has a Company Secretary – Ms. Neha Kankariya.
- c) The Company has Internal Auditors namely M/s. Tungala & Co., Chartered Accountants, Hyderabad

**We further report that:-**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors; Non-Executive Directors and Independent Directors. There is no change in the composition of the Board of Directors that took place during the period under review.

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

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

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

We further report that during the audit period there was no event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

The compliance by the Company of applicable financial laws like Direct and Indirect tax laws has not been reviewed thoroughly in this audit since the same have been subject to review by statutory financial audit and other designated professionals.

**For S.S. Reddy & Associates**

**Sd/-**

**S. Sarveswar Reddy  
Practicing Company Secretary  
C. P. No: 7478  
UDIN:A012611B000507886**

**Place: Hyderabad  
Date: 27.07.2020**

**Annexure-A to Secretarial Audit Report**

To  
The Members of  
Dr Habeebullah Life Sciences Limited

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

1. Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have relied on the reports given by the concerned professionals in verifying the correctness and appropriateness of financial records and books of accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial Audit report is neither an assurance as to future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For S.S. Reddy & Associates**

**Sd/-**

**S. Sarveswar Reddy  
Practicing Company Secretary  
C. P. No: 7478  
UDIN:A012611B000507886**

**Place: Hyderabad  
Date: 27.07.2020**

**DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS**

(Pursuant to Section 149(7) of the Companies Act, 2013, and Regulation 16(1)(b) and 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020**

The Board of Directors  
Dr Habeebullah Life Sciences Limited

Dear Sir/Madam,

I undertake to comply with the conditions laid down in Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

- (a) I declare that upto the date of this certificate, apart from receiving Sitting Fees, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding Company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall keep prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.
- (b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.
- (c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:
  - (i) the statutory audit firm or the internal audit firm that is associated with the Company and
  - (ii) the legal firm(s) and consulting firm(s) that have a material association with the company
- (d) I have not been a material suppliers, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking You.

Yours Faithfully,

Sd/-  
Dr. A. Jyothy  
(Independent Director)

Date: 29.07.2020  
Place: Hyderabad

**DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS**

(Pursuant to Section 149(7) of the Companies Act, 2013, and Regulation 16(1)(b) and 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020**

The Board of Directors  
Dr Habeebullah Life Sciences Limited

Dear Sir/Madam,

I undertake to comply with the conditions laid down in Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

- (a) I declare that upto the date of this certificate, apart from receiving Sitting Fees, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding Company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall keep prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.
- (b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.
- (c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:
  - (i) the statutory audit firm or the internal audit firm that is associated with the Company and
  - (ii) the legal firm(s) and consulting firm(s) that have a material association with the company
- (d) I have not been a material suppliers, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking You.

Yours Faithfully,

Sd/-

B. Suryaprakasa Rao  
(Independent Director)

Date: 29.07.2020  
Place: Hyderabad

**DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS**

(Pursuant to Section 149(7) of the Companies Act, 2013, and Regulation 16(1)(b) and 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020**

The Board of Directors  
Dr Habeebullah Life Sciences Limited

Dear Sir/Madam,

I undertake to comply with the conditions laid down in Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

- (a) I declare that upto the date of this certificate, apart from receiving Sitting Fees, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding Company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall keep prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.
- (b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.
- (c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:
  - (i) the statutory audit firm or the internal audit firm that is associated with the Company and
  - (ii) the legal firm(s) and consulting firm(s) that have a material association with the company
- (d) I have not been a material suppliers, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking You.

Yours Faithfully,

Sd/-

Dr. T.V. Rama Krishna Murthy  
(Independent Director)

Date: 29.07.2020  
Place: Hyderabad

## ANNEXURE –IV

**REMUNERATION RATIO OF THE DIRECTORS / KEY MANAGERIAL PERSONNEL (KMP) / EMPLOYEES FOR THE FINANCIAL YEAR 2019-20**

A. Statement of Disclosure under Section 197(12) read with Rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Companies (Particulars of Employees) Rules, 1975:

1. Ratio of remuneration of each Executive Director to the median remuneration of the Employees of the Company and percentage increase in remuneration of Key Managerial Personnel (KMP) and other Executive Directors during the Financial Year 2019-20:

Sl. No	Name	Designation	Remuneration paid FY 2019-20	Remuneration paid FY 2018-19	% Increase in remuneration from previous years	Ratio/times per median of Directors remuneration
1.	K. Krishnam Raju	Executive Chairman & Whole-time Director	36,00,000	36,00,000	Nil	18.25:1
2.	Pooja Jain	Company Secretary (KMP, resigned w.e.f 13.08.2019)	95,967	3,50,000	Nil	NIL
3.	Mrs. K. Ramyanka Yadav	Company Secretary (KMP, resigned w.e.f. 18.12.2019)	1,35,040	-	Nil	NIL
4.	Ms. Neha Kankaria	Company Secretary (KMP) (Appointed w.e.f 1.2.2020)	60,000	-	Nil	NIL
5.	K. Nirusha	Chief Financial Officer (KMP, resigned w.e.f. 14.02.2020)	7,86,207	9,00,000	Nil	NIL
6.	Mr. K.N.V Narendra Kumar	Chief Financial Officer (KMP) (Appointed w.e.f 14.2.2020)	1,40,000	-	Nil	NIL

the ratio of remuneration of Wholetime Director cum Chairman (Mr K. Krishnam Raju) of the Company to the median remuneration of the employees is 18.25:1.

- The Company has 31 employees on the rolls of the Company as on 31st March, 2020.
- Average percentage reduction made in the salaries of the employees other than the Managerial Personnel in the financial year was NIL whereas the average percentage decrease in the remuneration to the Managerial Personnel NIL
- Key parameters for any variable component of remuneration availed by the Directors:  
Not Applicable
- It is hereby affirmed that the remuneration paid during the year is as per the Remuneration policy.

**B. Information as per Rule 5(2) of Chapter XIII of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

**1. Top 10 employees of the Company based on Remuneration drawn for FY 2019-20:**

S. No	Name of the Employee	Age	Designation	Nature of Employment	Educational Qualification & Experience	Date of Joining	Gross Remuneration	Past Employment
1	K. Krishnam Raju	61	Chairman	Permanent	CA and Entrepreneur & 31 Years	26.12.2016	36,00,000	Krisani Group
2	K. Nirusha (resigned w.e.f. 14.02.2020)	30	CFO	Permanent	B. Tech (ECE) , MS Finance & 5 Years	26.06.2017	7,86,207	PCS Securities Ltd
3	Mr. K.N.V Narendra Kumar	42	CFO	Permanent	B.Com	14.2.2020	1,40,000	Krisani Bio Sciences Pvt.Ltd
4	Pooja Jain (resigned w.e.f. 13.08.2019)	28	Company Secretary	Permanent	CS, B.Com, LLB & 6 Years	01.06.2017	95,967	S.S. Reddy & Associates
5	K. Ramyanka Yadav (resigned w.e.f. 18.12.2019)	32	Company Secretary	Permanent	CS & 6 Years	28.8.2019	1,35,040	Daaj Hotel & Resorts Pvt. Ltd.
6	Alem Ahmed Khan	53	Chief Scientific Officer	Permanent	Ph.D & 22 Years	01.06.2017	17,50,000	CLRD
7	Ch. Kalyan Kumar	42	Vice President - Lab Operations	Permanent	Ph.D & 15 Years	01.06.2017	10,20,000	Krisani Bio Sciences Private Limited
8	Avinash Bardia	36	Scientist	Permanent	Ph.D & 9 Years	01.06.2017	10,00,008	CLRD
9	N.M. Akbar	36	Project Manager	Permanent	Ph.D & 10 Years	01.06.2017	9,90,000	CLRD
10	Sandeep Kumar V	33	Scientist	Permanent	Ph.D & 12 Years	01.06.2017	9,00,000	CLRD

2. There are no employees who were in receipt of remuneration in excess of INR 1.02 Crores per annum who were employed throughout the financial year.

3. There are no employees who were in receipt of remuneration for any part of the year, at a rate which, in the aggregate, was in excess of INR 8,50,000 per month.



## ANNEXURE -V

## Form No. AOC-2

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

## FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

Form for Disclosure of particulars of Contracts/Arrangements entered into by the Company with Related Parties referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013 including certain Arm's Length Transactions under third proviso thereto:

1. Details of Contracts or Arrangements or Transactions not at Arm's Length Basis: NIL
2. Details of Material Contracts or Arrangement or Transactions at Arm's Length Basis:
  - (a) Name(s) of the related party and nature of relationship:

Name of the Party	Nature of Relationship
Mr. K. Krishnam Raju	Promoter & Whole-time Director & Chairman
Dr. Mohammed Aejaz Habeeb	Promoter & Non - Executive Director
Dr. Syed Ameer Basha Paspala	Promoter & Non - Executive Director
Mr. B. Suryaprakasa Rao	Independent Non - Executive Director
Dr. Akka Jyothy	Independent Non - Executive Director
Dr. T.V.Rama Krishna Murthy	Independent Non - Executive Director
Ms. Neha Kankariya	Company Secretary & Compliance Officer
Mr. K.N.V Narendra Kumar	Chief Financial Officer
Mrs. K. Sarada Vijaya Kumari	Person Acting in Concert (Promoter Group)
Krisani Bio Sciences Private Limited	Subsidiary Company

- i) The Promoters of DRHLSL are major Promoters and/or Shareholders / Partners of the below entities –
  1. Innovision Life Sciences Private Limited Company
  2. Centre For Liver Research and Diagnostics – Partnership Firm

(b) Nature of Contracts / Arrangements / Transactions:

Name of the related party	Nature of Transaction	Year ended 31-03-2020 (Rupees)	Year ended 31-03-2019 (Rupees)
K. Krishnam Raju	Remuneration	36,00,000	36,00,000
	Rent expenses	50,000	3,00,000
Mrs. K. Sarada Vijaya Kumari	Rent expenses	1,40,000	4,80,000
Dr. Mohammed Aejaz Habeeb	Professional Fee	3,78,508	15,79,961
Dr. Syed Ameer Basha Paspala	Professional Fee	26,19,434	27,84,434
Ms. Pooja Jain	Remuneration	95,967	3,50,000
Mrs. K. Nirusha	Remuneration	7,86,207	9,00,000
Mr. K.N.V Narendra Kumar	Remuneration	1,40,000	-
Mrs. K. Ramyanka Yadav	Remuneration	1,35,040	-
Ms. Neha Kankariya	Remuneration	60,000	-
Innovision Life Sciences Pvt Ltd	Inter-Corporate Loan	-	24,00,000
M/s. Centre For Liver Research and Diagnostics	Lease Deposit	-	5,00,000
Krisani Bio Sciences Private Limited	Security Deposit against Master Collaborative Agreements to further develop their molecules	-	-

(c) Duration of the contracts / arrangements/transactions: **On Going**

(d) Salient terms of the contracts or arrangements or transactions including the value: **Not Applicable**

(e) Date(s) of approval by the Board, if any: **Not applicable as in Ordinary Course of Business**

(f) Amount paid as advances, if any: **NIL**

## ANNEXURE - III

FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN

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

AS ON THE FINANCIAL YEAR 31ST MARCH, 2020

I. REGISTRATION AND OTHER DETAILS:					
i.	CIN	L85110TG1996PLC099198			
ii.	Registration Date	25/01/1996			
iii.	Name of the Company	DR HABEEBULLAH LIFE SCIENCES LIMITED			
iv.	Category / Sub-Category of the Company	Company Limited by Shares / Indian Non-Government Company			
v.	Address of the Registered office and contact details	2-5-36/CLRD/1, Survey No. 36, Chintalmet X Roads, Upperpally, Rajendra Nagar Mandal, Hyderabad – 500 048, Telangana State, India Contact : +91 – 90300 57370, 040-2970 3333 E-mail : <a href="mailto:info@drhsl.com">info@drhsl.com</a> , <a href="mailto:pcproductsindia@gmail.com">pcproductsindia@gmail.com</a> URL : <a href="http://www.drhsl.com">www.drhsl.com</a>			
vi.	Whether listed company Yes / No	Yes (BSE Limited, MSEI Limited and ASE Limited)			
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Venture Capital and Corporate Investments Private Ltd Address: 12-10-167, Bharat Nagar, Hyderabad – 500 018, Telangana State, India Ph No : 040-2381 8475, 040-2381 8476 <a href="mailto:info@vccilindia.com">Email : info@vccilindia.com</a> , <a href="mailto:online@vccilindia.com">online@vccilindia.com</a>			
II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:					
All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-					
Sl. No.	Name and Description of main products /services	NIC Code of the Product / service	% to total turnover of the company		
1	Research & Experimental Development on Natural Sciences and Engineering (Includes Bio-Pharma and Hospital Services also)	72100	100.00		
III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: –					
Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1	Krisani Bio Sciences Private Limited 6-3-354/13/B2, Flat. No. B2, Suryateja Apartments, Hindi Nagar, Punjagutta, Hyderabad – 500034, Telangana, India	U73200TG2009PTC065750	Subsidiary	51.30%	2(87)
IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)					

<b>i) Category-wise Share Holding; -</b>									
Category of Shareholders	No. of Shares held at beginning of year (01.04.2019)				No. of Shares held at end of year (31.03.2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters &amp; Promoter Group</b>									
<b>(1) Indian</b>									
Individual/ HUF	7629030	0	7629030	55.25	7629030	1000000	8629030	58.27	3.02
Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
State Govt (s)	0	0	0	0.00	0	0	0	0.00	0.00
Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
Any Other	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (A) (1) :-</b>	<b>7629030</b>	<b>0</b>	<b>7629030</b>	<b>55.25</b>	<b>7629030</b>	<b>1000000</b>	<b>8629030</b>	<b>58.27</b>	<b>3.02</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) AnyOther	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>7629030</b>	<b>0</b>	<b>7629030</b>	<b>55.25</b>	<b>7629030</b>	<b>1000000</b>	<b>8629030</b>	<b>58.27</b>	<b>3.02</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIs	0	0	0	0.00	0	0	0	0.00	0.00

h) Foreign Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0.00
i) Others	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (B)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>2. Non Institutions</b>									
a) Bodies Corp.									
i) Indian	2	0	2	0.00	603	0	603	0.00	0.00
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital up to INR 1 lakh	80842	110800	191632	1.38	79758	110500	190258	1.28	(0.10)
i) Individual shareholders holding nominal share capital in excess of INR 1 Lakh	4788531	399500	5188031	37.58	4789310	399500	5188810	35.04	(2.54)
c) Others									
1. NRI	800000	0	800000	5.79	800004	0	800004	5.40	(0.39)
2. Clearing Members	1	0	1	0.00	1	0	1	0.00	0.00
<b>Sub-total (B)(2)</b>	<b>5669376</b>	<b>510300</b>	<b>6179676</b>	<b>44.75</b>	<b>5669676</b>	<b>510000</b>	<b>6179676</b>	<b>41.73</b>	<b>(3.02)</b>
<b>Sub-total (B)(2):-Total Public Share holding:(B)=(B)(1)+(B)(2)</b>	<b>5669376</b>	<b>510300</b>	<b>6179676</b>	<b>44.75</b>	<b>5669676</b>	<b>510000</b>	<b>6179676</b>	<b>41.73</b>	<b>(3.02)</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total (A+B+C)</b>	<b>1,32,98,406</b>	<b>510300</b>	<b>1,38,08,706</b>	<b>100.00</b>	<b>1,32,98,706</b>	<b>1510000</b>	<b>1,48,08,706</b>	<b>100.00</b>	<b>0.00</b>

(ii) Shareholding of Promoters –										
Sl. No	Shareholder Name	No. of Shares held at beginning of year				No. of Shares held at end of year				%Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
1	MR. K. KRISHNAM RAJU	28,99,630	0	2899630	21.00	28,99,630	0	2899630	19.58	No change in the holding of shares
2	DR. MOHAMMED AEJAZ HABEEB	12,79,124	0	1279124	9.26	1279124	5,00,000	1779124	12.01	2.75
3	DR. SYED AMEER BASHA PASPALA	11,61,800	0	11,61,800	8.41	11,61,800	5,00,000	16,61,800	11.22	2.81
4	MRS. K. SARADA VIJAYA KUMARI	8,65,690	0	8,65,690	6.27	8,65,690	0	8,65,690	5.85	No change in the holding of shares
5	MRS. K. NIRUSHA	10,29,200	0	10,29,200	7.45	10,29,200	0	10,29,200	6.95	No change in the holding of shares
6	MS. P. PARVATHI	3,93,586	0	3,93,586	2.85	3,93,586	0	3,93,586	2.66	No change in the holding of shares

## (iii) Change in Promoters' Shareholding:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	DR. SYED AMEER BASHA PASPALA				
	At the beginning of the year	11,61,800	8.41	11,61,800	8.41
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/transfer/bonus/sweat equity etc.):	Increase Conversion of warrants into shares	Date: 14.06.2019	5,00,000	(2.81)
	At the End of the year			16,61,800	11.22
2.	DR. MOHAMMED AEJAZ HABEEB				
	At the beginning of the year	12,79,124	9.26	12,79,124	9.26
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment/transfer/bonus/sweat equity etc.):	Increase Conversion of warrants into shares	Date: 14.06.2019	5,00,000	2.75
	At the End of the year			1779124	12.01

<b>(iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs) :</b>					
Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company*	No. of Shares	% of total shares of the company*
1	M. Sarvothama Reddy				
	At the beginning of the year	65000	0.44	65000	0.44
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase / decrease: <b>Purchase</b>	-	-	600000	
	At the End of the year			665000	4.49
2	Rudraraju Srinivas Kumar				
	At the beginning of the year	<b>229950</b>	<b>1.55</b>	229950	1.50
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase / decrease:			-	-
	At the End of the year			229950	1.50
3	Arun Kumar Bhangadia				
	At the beginning of the year	775381	5.24	775381	5.24
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase / decrease:sale 12.07.2019	(200)	0.00	775181	5.23
	Sale 06.09.2019	(150)	0.00	775031	5.23
	Sale 13.09.2019	(775031)		-	0.00
	Purchase 20.09.2019	774431		774431	5.22
	Sale 27.09.2019	(1)		774430	5.22
	Sale 13.12.2019	(700)		773730	5.22
	Sale 21.02.2020	(2)		773728	5.22
	At the End of the year			773728	5.22
4	Anita Lakkadi				
	At the beginning of the year	100000	0.82	100000	0.67
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase / decrease:Purchase	-	-	-	-
	At the End of the year			100000	0.67
5	Ravi Mandava				
	At the beginning of the year	100000	0.82	100000	0.67
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase / decrease: As per Benpos	0	0.00	0	0.00
	At the End of the year			100000	0.67



6	M. Neela Reddy				
	At the beginning of the year	68000	0.57	68000	0.47
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase / decrease: Purchase 20.03.2020	625000	4.21	693000	4.68
	At the End of the year			693000	4.68
7	Rudraraju Srinivas Kumar				
	At the beginning of the year	130800	1.07	130800	0.88
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase / decrease: As per Benpos	0	0.00	0	0.00
	At the End of the year			130800	0.88
8	Rajeswari Harika Kalidhindi				
	At the beginning of the year	400000	3.28	400000	2.70
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase / decrease: As per Benpos	0	0.00	0	0.00
	At the End of the year			400000	2.70
9	Janakirama Raju Kalidhindi				
	At the beginning of the year	400000	3.28	400000	2.70
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase / decrease: As per Benpos	0	0.00	0	0.00
	At the End of the year			400000	2.70
10	M. Srinivas Chaitanya				
	At the beginning of the year	361000	2.44	361000	2.44
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase / decrease:	0	0.00	0	0.00
	At the End of the year			361000	2.44

<b>(v) Shareholding of Directors and Key Managerial Personnel:</b>						
Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year		
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company	
1	Mr. K. Krishnam Raju Whole-time Director & Executive Chairman (Promoter Executive Director) (KMP)					
	At the beginning of the year		2899630	24.66	2899630	24.66
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase / decrease: <b>NIL</b>		There is no change in the total shareholding between 01-04-2019 to 31-03-2020. However due to allotment of Equity Shares to Non-Promoters, there is change in % of holding.			
	At the End of the year			2899630	21.00	
2	Dr. Mohammed Aejaz Habeeb Promoter Non-Executive Director					
	At the beginning of the year		1279124	9.26	1279124	9.26
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase / decrease:		Increase due to Conversion of 5,00,000 warrants into shares on 14.06.2019			
	At the End of the year			1779124	12.01	
3	Dr. Syed Ameer Basha Paspala Promoter Non Executive Director					
	At the beginning of the year		1161800	8.41	1161800	8.41
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase / decrease: <b>NIL</b>		Increase due to Conversion of 5,00,000 warrants into shares on 14.06.2019			
	At the End of the year			1661800	11.22	

<b>V. INDEBTEDNESS</b>				
<b>Indebtedness of the Company including interest outstanding/accrued but not due for payment</b>				
Indebtedness at the beginning of the financial year	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	---	1,32,40,000	---	1,32,40,000
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	---	1,32,40,000	---	1,32,40,000
Change in Indebtedness during the financial year	---			
Addition		1,00,05,000		1,00,05,000
Reduction		53,30,000		53,30,000

<b>Net Change</b>	---	<b>4675000</b>		<b>4675000</b>
Indebtedness at the end of the financial year	---			
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	---	<b>1,79,15,000</b>		<b>1,79,15,000</b>

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL			
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:			
Sl. no.	Particulars of Remuneration	Name of WTD	
		Mr. K. Krishnam Raju	
			Total Amount
1.	Gross salary	3600000	3600000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	--	--
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961		
2.	Stock Option	--	--
3.	Sweat Equity	--	--
4.	Commission- as % of profit – Others specify	--	--
5.	Others, please specify	--	--
	<b>Total (A)</b>	<b>3600000</b>	<b>3600000</b>
	<b>Ceiling as per the ACT</b>	<b>60,00,000</b>	

## B. Remuneration to other Directors:

SL No	Particulars of Remuneration	Name of Directors			Total Amount (Rs)
		Akka Jyothy	T.V.Rama Krishna Murthy	B.Suryaprakasa Rao	
1	<b>Independent Directors</b>				
	Fee for attending Board /Committee Meetings	90,000	1,05,000	1,05,000	--
	Commission	-	-	-	-
	Others	-	-	-	-
	<b>Total (1)</b>	<b>90,000</b>	<b>1,05,000</b>	<b>1,05,000</b>	<b>3,00,000</b>

2	<b>Other Non-Executive Directors</b>					
	Fee for attending Board/Committee Meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others	-	-	-	-	-
	<b>Total (2)</b>	-	-	-	-	-
	<b>Total (B) = (1+2)</b>	-	-	-	-	300000
	Total Managerial Remuneration	Nil	Nil	Nil	Nil	3900000
	Overall Ceiling as per the Act	NA	NA	NA	NA	NA

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD (in Rs. Except Stock Option)								
Particulars of Remuneration		Key Managerial Personnel						
		CEO	Company Secretary (Mrs. NehaKankariya)	Company Secretary (Mrs. Pooja Jain)	Company Secretary (Mrs. K.Ramyan kaYadav)	CFO (Mrs.K.Nirusha)	CFO (Mr.K.N.V. Narendra Kumar)	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961  (b) Value of perquisites u/s 17(2) Income-tax Act, 1961  (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	60,000	95,967	1,35,040	7,86,207	1,40,000	12,17,214
2.	Stock Option	--	--	--	--	--	--	--
3.	Sweat Equity	--	--	--	--	--	--	--
4.	Commission - as % of profit - others, specify...	--	--	--	--	--	--	--
5.	Others, please Specify	--	--	--	--	--	--	--
	<b>Total</b>	--	60,000	95,967	1,35,040	7,86,207	1,40,000	12,17,214

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:					
Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Details of Payment towards Penalty:					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	--	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

## ANNEXURE - II

## MANAGEMENT DISCUSSION AND ANALYSIS

## A. INDUSTRY STRUCTURE AND DEVELOPMENTS:

The COVID-19 pandemic is inflicting high and rising human costs worldwide, and the necessary protection measures are severely impacting economic activity. As per the International Monetary Fund in June 2020, Global growth is projected at -4.9 percent in 2020, 1.9 percentage points below the April 2020 World Economic Outlook (WEO) forecast. The COVID-19 pandemic has had a more negative impact on activity in the first half of 2020 than anticipated, and the recovery is projected to be more gradual than previously forecast. In 2021 global growth is projected at 5.4 percent. Overall, this would leave 2021 GDP some 6½ percentage points lower than in the pre-COVID-19 projections of January 2020. However the IMF hints that a high degree of uncertainty surrounds this forecast, with both upside and downside risks to the outlook. On the upside, better news on vaccines and treatments and additional policy support can lead to a quicker resumption of economic activity. On the downside, further waves of infections can reverse increased mobility and spending, and rapidly tighten financial conditions, triggering debt distress.

Effect of COVID-19 on Healthcare Sector in India :While public policy measures have been implemented to contain the spread of COVID-19, the measures have resulted in significant operational disruption for many companies including those in the Indian healthcare industry. Despite the current crisis being a healthcare issue, the private healthcare system in the country continues to reel under the negative impact of COVID-19. There has been a significant drop in both in-patient and out-patient footfall for private hospital chains—be it a single speciality, multi-speciality, tertiary-care hospitals or even diagnostics businesses, during this lockdown. However, in an effort to sustain these challenges, hospitals have begun implementing measures to reduce or defer costs, with a view to reserve cash in hand. In the context of consumables, supplier consolidation for better rates and renegotiation of credit periods for pharmacy and consumables are some measures instituted by hospitals to conserve their cash flow. On the personnel cost front, changes are being made to doctor-engagement models. Hospitals may also have to get used to “the new normal” with increased hygiene measures and staff safety, resulting in costlier procedures. With no immediate signs of the pandemic regressing, hospitals across segments-big or small, they require support from the government. Through faster payments for treatments under government schemes; speedy TPA claim processing and settlement; GST rate reduction on COVID-19-related supplies such as testing kits, drugs, and consumables; faster GST refund to manufacturers on accumulated tax credit due to inverted duty structure; cheaper credit facilities for larger hospitals (akin to the scheme offered to MSMEs); and standardisation of COVID-19 costs across the country, the government could nip the effects of the pandemic on an already fragile healthcare system.

On the positive note, Healthcare market in India is expected to record a threefold rise, at a CAGR of 22% during 2016-22, to reach US \$280 billion by FY20, US \$372 billion by 2022 from US\$ 110 billion in 2016. Several factors like expanding global population, rising incomes, growing health awareness, advance in science and technology, changing attitude towards preventive healthcare are contributing to growth in India and global healthcare industry. This is despite operating in an uncertain political and economic environment, hindered by ever-increasing development costs, pricing pressures, faster pace of clinical and operational innovation, changing customer and regulatory expectations.

The Government of India aims to develop the country as a global healthcare hub and has remained very active with its approach towards the development of healthcare sector. In line with this, the world's largest government funded healthcare scheme, Ayushman Bharat was launched on September 23, 2018.

According to a report of NITI Aayog, the Government of India aims to increase its public expenditure on healthcare from 1.1% to 2.5% of the country's Gross Domestic Product(GDP) by 2025 and to 5% in the following 5 years. This shows that the nation is set on the path of progressive healthcare for every individual.

Some key trends impacting the global healthcare and pharmaceutical sector in the near future are worth noting. These are:

**Advance in Science and Technology:** Scientific innovation is the need of the hour to address unmet medical needs. Use of new technology to better understand the biology of human diseases is transforming the approach to developing much more efficient medical therapies and novel targeted treatments. At the same time, advance in technology is enabling and thus educating patients as well to be more engaged and take greater control of their health and treatment choices. With the digital revolution taking over the world

and the Indian healthcare space, the Government of India is showing keen interest in the development of Telemedicine and Telehealth by investing in this segment to provide better healthcare facilities in rural India as well. The private business sphere as well is pouring liquidity into telemedicine and this investment trend is expected to continue going forward.

This technology-driven health inclination is a major boost for DRHLSL's bio-technology and molecular diagnostics division, focused on new-age health care solutions.

**Orphan Drugs:** The orphan drugs sector is expected to outperform the market, doubling in size over 2018-2024 and peaking at US \$262bn in 2024, accounting for approximately 20% of prescription sales. This focuses on the industry's continued effort to address small groups of neglected patients with high unmet medical needs and to benefit from regulatory and financial incentives.

Addressing the orphan drug and rare disease category, the new drug division of DRHLSL, represented by its subsidiary company, Krisani Bio Sciences Pvt. Ltd, has till date obtained 12(twelve) international patents from across the globe for the treatment of Wilson Disease, Neuropathic pain, NASH, Nephropathicystinosis, Huntington Disease and hypertriglyceridemia.

Gradually gaining prominence, the global Wilson's disease drugs market 2019-2023 is expected to post a CAGR of close to 6% during the forecast period, according to the latest market research report by Technavio. According to a recent study conducted by RRI, the global market for neuropathic pain is expected to reflect a CAGR of over 5% during the forecast period (2016–2024). In 2015, the market was valued at over US\$ 5 Billion and is estimated to stand at US\$ 8.3 Billion by 2024 end.

**Gene and Cell Therapy:** Novel therapies like gene and cell therapies are gaining momentum and expected to increasingly contribute to growth in the global healthcare scenario addressing key unmet needs.

Building on the approval and launch of CAR-T therapies in 2017, the Chimeric Antigen Receptor T-cell (CAR-T) therapy market is projected to increase at a CAGR of over 51% during the period 2018–2030. According to December 2018 report on 'Medicines in Development', five diseases are being currently targeted with cell and gene therapies and nine cell-based therapies, gene therapies and regenerative medicines are being launched globally. An increasing number are in active clinical research across therapy area. These include direct gene replacement and CAR-T therapies which are associated with significant rates of remission for some blood cancers.

This space though is not devoid of various challenges including commercialization, market access, patient and physician adoption, cost/benefit discussions, reimbursement and manufacturing scale-up. Intense pricing scrutiny by policy makers and costs associated will be the biggest challenges in this sector. However, the area continues to generate enormous interest.

## B. OPPORTUNITIES AND THREATS

**Positive demographics:** Increased life expectancy accompanied by population growth is driving demand for both preventive and therapeutic healthcare products. Other factors contributing to the demand are growing incomes, changing lifestyle and dietary habits and gradually changing environmental factors leading to higher incidences of chronic diseases and steady increase in Non-Communicable diseases (NCDs) like cancer, cardiovascular, metabolic and respiratory diseases, especially in developing countries.

As the burden of the NCDs grow, so do public expectations, while the government's ability to address these is constrained due to financial stress. Catering to the increased challenges for health care with the changing demographics, DRHLSL's molecular diagnostics division untiringly works towards providing economically-viable prognosis and diagnosis of various genetic, metabolic diseases and NCD's adding substantial value and time to the patient's life.

### **Medical Tourism:**

As COVID-19 pandemic grapples the world, the origin country of the virus, China, has been under the world's radar. Considering how the disease has changed worldwide opinions about China's role, it may well provide an opportunity to focus on medical tourism. Establishing a robust healthcare system will be a wise choice to make.

A recovery in global commodity prices appears to be helping to repair public finances and boost health care spending in many resource-dependent countries like the Middle East, Latin America, and the former Soviet Union. Especially, medical tourism from the sub-Saharan countries is expected to grow by nearly 20%.

In the recent times India has emerged as a hub for R&D activities for international players due to its relatively low cost of clinical research and medical services.

Also, with the launch of the Ayushman Bharat scheme in September 2018, the hospital industry in India is expected to grow at a CAGR of 16-17% to reach Rs 8.6 trillion (US \$132.8 billion) by FY22 from Rs 4 trillion (US \$61.79 Billion) in FY17. Thus, investment in healthcare infrastructure is set to rise, benefiting both 'hard' (hospitals) and 'soft' (R&D, education) infrastructure.

In 2020, enabled by these advancements and affordability in its healthcare space, India will emerge as one of the most preferred healthcare destinations attracting patients from across the world, providing significant untapped opportunities to a company like DRHLSL that continually strives to extend its advance therapy and medical facility services at affordable prices to everyone alike.

### C. SNAPSHOT OF THE COMPANY AND ITS PRODUCTS

DRHLSL has a unique and balanced business model with three self-sustainable verticals:

The three Business verticals are as follows:

1. **Molecular Diagnostics:** Offering more than 500 DNA and RNA based advanced diagnostics, the molecular diagnostics division of DRHLSL has best-in-class infrastructure under its ISO 9001:2015 certified laboratory.

The molecular diagnostics division is focused on offering its services by increasing awareness about appropriate prognosis and diagnosis of several life threatening diseases with special focus on infectious diseases, reproductive genetics, Oncology, Endocrinology, Transplantation typing, Hematology amongst others. This division also specializes in enabling the consumer to access customized medical treatment by offering tailored services like pharmacogenomics. The in-house Cytogenetics lab offers karyotype fluorescence in-situ hybridization (FISH) analysis to detect targeted chromosomal abnormalities. This is the need of the hour to counter rising prevalence of diseases having genetic abnormalities and cancers. Acute Lymphoblastic Leukemia (ALL), a genetic disorder has caused more than 1500 deaths in the US and almost 7000 new cases diagnosed in 2018.

2. **Stem cell Research and Medical Devices:** Much of the interest in stem cell-based therapies in India appears focused on patient need, particularly the growing national burden of chronic diseases for which stem cell therapies will offer promising solutions. Dr. Habeebullah Life Sciences offers well standardized and proven technologies to implement stem cell-based treatment strategies. DRHLSL is carrying out extensive high-end research and development in the field of stem cells and regenerative medicine wherein the primary focus is to provide support to the patients with acute liver failure (ALF), end-stage liver diseases such as liver cirrhosis and also bridge the gap of liver transplantation as supportive modality. Furthermore, center is also dedicated to imply stem cells in neurological disorders such as Parkinson, Alzheimer, amyotrophic lateral sclerosis, Duchene muscular dystrophy (DMD) and spinal cord injury (SCI), etc.

This division is also specialized in Stem Cell therapy, in Regenerative Medicine, Bio-artificial organ scaffolds development, Nano-biotechnology, Nano formulation of cancer drugs, Molecular genetics and Molecular virology and so on.

3. **Advance therapy Hospital:** DRHLSL will very soon establish a state-of-the-art advance therapy hospital focused on providing cutting edge medical services in Stem cell therapy with special emphasis on Gastroenterology and Neurology. Currently, the facility provides out-patient specialty services supported by an eminent team of medical professional in the fields of Gastroenterology, Neurology, Orthopedics, Pulmonology, ENT, Dental, Behavioral sciences, General Surgery and Medicine.

### D. OUTLOOK:

The visionary path shown by Prof. C. M. Habeebullah is being carried out at Dr. Habeebullah Life Sciences



with utmost dedication aimed at improving the health of its population and to become one of the main contributors to the emerging potential field of stem cells and regenerative medicine.

According to a recent report by Grand View Research, the global stem cell market size is expected to reach USD 15.63 billion by 2025, at a CAGR of 8.8% during the forecast period of 2014-2025. Rapid transition from conventional treatment methods to regenerative medicine has been observed over the past few years. As per the report, Regenerative medicine is set to become the new prototype of treatment in human health having the potential to address unmet medical needs across the globe. DRHLSL aims to continue its focus on innovation to unlock the potential of regenerative medicine in several life threatening conditions and to facilitate the organ/tissue regeneration strategies to support the patient effectively and economically.

The Company continues to focus on design and development of innovative bio technology products and drugs, biomarkers, assays and medical devices. The Company has renewed its emphasis and efforts on virology and social and preventive medicine (SPM) to be fully prepared to successfully tackle and capably address the needs of COVID-like health emergencies going forward.

According to a report by Global Market Insights, Molecular Diagnostics Market size was valued at USD 7.2 billion in 2017 and is expected to witness more than 8.5% CAGR from 2018 to 2024. Also, the Asia Pacific molecular diagnostics market is estimated to show CAGR of 11.4% from 2018 to 2024. India is at the forefront of the emerging countries in driving this regional growth. Increasing awareness, access to the rapidly developing healthcare infrastructure and presence of large patient pool will further augment region growth.

Infectious disease testing currently represents largest segment in the industry while genetic testing and oncology testing are amongst the fastest growing application segments. The Company intends to rightly place its products to capture the infectious disease market segment.

The global predictive genetic testing and consumer health & wellness genomics market was valued at \$2.24 billion in 2015, and is expected to double to \$4.6 billion by 2025. Health and wellness genetic tests are direct to consumer (DTC) genetic tests that allow consumers to access information about their genetics without necessarily involving healthcare professionals in the process.

With the increased awareness for self-hygiene and healthy living, DRHLSL's Molecular Diagnostics division is focused on Nutrigenomics and a range of different Health & Wellness testing services to help individuals optimize their health based on their unique genetics.

## **E. RISKS AND CONCERNS**

The Company is committed to conducting business in accordance with all applicable statutory laws and regulations, and pursuing its core organizational values.

The Company's business model is a bilateral approach. It focuses on striking a balance between the high value creation divisions like Stem cell therapy, New drug discovery on one hand and daily revenue generating divisions likes Molecular Diagnostics on the other. This is aimed at minimizing the risk and maximizing the shareholder wealth.

DRHLSL acknowledges that its research and development, manufacture and sale of products and services may face several challenges such as human capital risk, risk of failure or delay of R&D products in a timely manner, risk arising out of strategic co-development arrangements with a partner, changing global and national political and regulatory landscape amongst others. Although the comprehensive eradication of risks associated with the business of the Company is unfeasible, constant efforts are made to analyze their potential impact, assess the changes to risk environment and define actions to mitigate their adverse impact.

## **F. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

DRHLSL strongly believes that a robust internal control mechanism is a prerequisite to ensure that an organization functions ethically, complies with all legal and regulatory requirements and observes the generally accepted principles of good corporate governance. To enable this, the Company has established a strong internal control system for the Company, which is comprised of policies, guidelines and procedures to ensure the orderly and efficient financial and business conduct.

DRHLSL has adopted strong internal control systems backed by constant reviews and up-gradation. Internal Audit, Statutory Audit by external agencies and the Audit Committee, look into the internal control aspects and further advice on the corrective measures as and when required.

#### G. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE.

The management discussion and Analysis given below relates to the Audited Financial Statements of Dr. Habeebullah Life Sciences Limited. The discussion should be read in conjunction with the financial statements and related notes for the year ended 31st March 2020.

##### Summary:

The revenue from the core segment of the business, aggregated to INR 14.32 million in FY 19-20. Combined with a non-operating income of INR 1.58 million, the Revenue for the year ended 31st March 2020, totaled to INR 15.90 million.

The Company has generated revenue from its out-patient hospital facility and its Diagnostic services division during FY 19-20. The revenue generating equipment like MRI, CT Scan, Ultra Sound and X-ray have been bought into complete operation supported by brand awareness and efficient tie-ups with concerned parties.

#### H. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED.

DRHLSL's employees are the backbone of the Company. It is their knowledge, scientific skills and innovative capabilities that enable DRHLSL to harness the power of science and serve its clients. DRHLSL recognizes that an inclusive culture which promotes diversity, ethics and integrity is crucial. Through a range of HR- led initiatives, we offer customized training programs to enhance the staff's scientific and leadership skills with special attention to collaborative learning amongst the several teams.

As on 31st March, 2020, the Company had a dedicated team of 31 people, with the scientific team consisting more than 50% of the total workforce. DRHLSL continues to actively recruit campus freshers and experienced workforce to cater to the Company's requirement.

#### I. FINANCIAL RATIOS

Financial Ratios	FY 2019-20		FY 2018-19	
	Standalone	Consolidated	Standalone	Consolidated
Debtors Turnover Ratio	0.73	0.73	0.96	0.96
Inventory Turnover Ratio	12.12	12.12	13.35	13.35
Interest Coverage Ratio	N/A	N/A	N/A	N/A
Current Ratio	1.57	0.52	2.60	0.57
Debt Equity Ratio	N/A	N/A	N/A	N/A
Operating Profit Margin	-117%	-122%	-100%	-108%
Net Profit Margin	-118%	-123%	-100%	-109%

**J. RETURN ON NET WORTH**

There is a change in the Return on Net Worth which is at -13.26% for the Financial Year 2019-20 as compared to immediately previous year 2018-19 which was at -16.81%. Reasons for negative increase was due to initial stages of operations and most of the revenue avenues are still not converted in to operational during the current financial year. Management is expected to bring all operational avenues like in-patient services, surgeries, blood bank and all other healthcare services into revenue generating avenues in the coming financial year, which require installation of certain medical equipment and infrastructure.

**K. DISCLOSURE OF ACCOUNTING TREATMENT**

Financial Statements are prepared as per Ind AS duly following the principles laid in the Ind AS. Management has not adopted any other standards other than the prescribed Accounting Standards in preparing the financial statements.

**L. CAUTIONARY STATEMENT/DISCLAIMER CLAUSE**

Certain statements in the Management Discussion and Analysis describing the Company's objectives, predictions may be "forward-looking statements" within the meaning of applicable laws and regulations. Actual results may vary significantly from the forward-looking statements contained in this document due to various risks and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India, new regulations and Government policies that may impact the Company's business as well as its ability to implement the strategy. The Company does not undertake to update this statement.

## REPORT ON CORPORATE GOVERNANCE

In accordance with Regulation 34 (3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the report containing the details of Corporate Governance systems and processes at Dr Habeebullah Life Sciences Limited is as follows:

Dr Habeebullah Life Sciences Limited is committed to best practices in the area of Corporate Governance. Good governance facilitates effective management and control of business, maintaining a high level of business ethics and optimizing the value for all stakeholders.

The Corporate Governance Structure in the Company assigns responsibilities and entrusts authority among different participants in the organization viz. the Board of Directors, the Senior Management, Employees, etc.

### 1. Company's Philosophy on code of Governance:

Dr Habeebullah Life Sciences Limited ("the Company") shall endeavor to adhere to values of good corporate governance and ethical business practices to maintain sound standards of Business Conduct and Corporate Governance.

Corporate Governance is the combination of practices and compliance with laws and regulations leading to effective control and management of the organization.

For Dr Habeebullah Life Sciences Limited, however, good corporate governance has been a cornerstone of the entire management process, the emphasis being on professional management with a decision making model based on decentralization, empowerment and meritocracy, to adopt the best practices in Corporate Governance, to consistently communicate and make timely disclosures, so as to ensure transparency, integrity and accountability to enhance the value of the stakeholders and achieve sustainable growth of the Company.

### DATE OF REPORT

The information provided in the Report on Corporate Governance for the purpose of unanimity is as on 31st March, 2020. The Report is updated as on the date of the report wherever applicable.

### 2. Board diversity:

The Company recognizes and embraces the importance of a diverse board in its success. We believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help us, retain our competitive advantage. The Board has adopted the Board Diversity Policy which sets out the approach to diversity of the Board of Directors. The Board Diversity Policy is available on our website, [www.drhlsl.com](http://www.drhlsl.com)

### 3. Compliance with SEBI (listing obligations and disclosure requirements) regulations, 2015:

In compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company framed the following policies which are available on Company's website i.e. [www.drhlsl.com](http://www.drhlsl.com)

1. Board Diversity Policy
2. Policy on preservation of Documents
3. Risk Management Policy
4. Whistle Blower Policy
5. Familiarization programme for Independent Directors
6. Sexual Harassment Policy
7. Related Party Policy
8. Code of Conduct for Board of Directors and Senior Management Personnel

### 4. "DRHLSL" code of conduct for the prevention of insider trading:

The Board of Directors has adopted the Insider Trading Policy in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulation, 2015. The Insider Trading Policy of the Company lays down

guidelines and procedures to be followed, and disclosures to be made while dealing with shares of the Company. The policy has been formulated to regulate, monitor and ensure reporting of deals by employees and to maintain the highest ethical standards of dealing in Company securities.

The Insider Trading Policy of the Company covering code of practices and procedures for fair disclosure of unpublished price sensitive information and code of conduct for the prevention of insider trading, is available on our website [www.drhlsl.com](http://www.drhlsl.com)

## 5. Board of Directors:

The composition of the Board of Directors of the company is an appropriate combination of executive and non-executive Directors with right element of independence. As on March 31, 2020, the Company's Board comprised of Six Directors, Three promoter Directors. In addition, there are three independent Directors on the Board including one woman Director. In terms of Regulation 17(1) (b) of SEBI (LODR) Regulations, 2015 and section 149 of Companies Act 2013, the company is required to have one half of total Directors as independent Directors. None of the Directors on the Board is a Member of more than 10 committees or Chairman of more than 5 companies across all the Companies in which he/she is a Director. The non-executive Directors are appointed or re-appointed based on the recommendation of the Nomination & Remuneration Committee which considers their overall experience, expertise and industry knowledge. One third of the non-executive Directors other than independent Directors, are liable to retire by rotation every year and are eligible for reappointment, subject to approval by the shareholders.

## 6. Skills / Expertise / Competencies of the Board of Directors;

The following is the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board Members:

- Knowledge on Company's businesses (Plantations and Instant Coffee), policies and culture (including the Mission, Vision and Values) major risks / threats and potential opportunities and knowledge of the industry in which the Company operates.
- Behavioural skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company.
- Business Strategy, Sales & Marketing, Corporate Governance, Forex Management, Administration, Decision Making.
- Financial and Management skills.
- Technical / Professional skills and specialized knowledge in relation to Company's business.

S.No.	Names of the Director	Existing Skills/ Expertise/ Competence
1	Mr. K. Krishnam Raju	CA,
2	Dr. Mohammed Aejaz Habeeb	M.D (General Medicine), DM (Gastroenterology) Ph D in Bio-technology
3	Dr. Syed Ameer Basha Paspala	Ph.D (Bio Technology), M.ch (Neurosurgery)
4	Dr. Akka Jyothy	M.Sc, Ph.D
5	Dr. T.V. Rama Krishna Murthy	MBBS
6	Mr. SuryaprakasaRao Bommiseti	CA, Audit, Account, Finance, Banking

**7. Re-appointment of Directors retiring by rotation:**

Details of Director seeking appointment/ reappointment at the forthcoming Annual General Meeting as required under Regulation 36 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015 ("Listing Regulations") is annexed to the Notice convening the Annual General Meeting and forming part of this Annual Report.

**8. Number of board meetings:**

The Board of Directors met Seven (7) times during the financial year on 28 May 2019, 14 Jun 2019, 14 Aug 2019, 30 Aug 2019, 14 Nov 2019, 04 Jan 2020 and 14 Feb 2020. The maximum time gap between any two meetings was less than four months. The agenda for each meeting is prepared well in advance, along with explanatory notes wherever required and distributed to all Directors.

**9. Attendance and directorships held:**

As mandated by the SEBI (LODR) Regulations, 2015, none of the Directors are members of more than ten Board-level committees nor are they chairman of more than five committees in which they are members. Further all the Directors have confirmed that they do not serve as an independent director in more than seven listed companies or where they are whole-time directors in any listed company, then they do not serve as independent director in more than three listed companies.

The names and categories of the Directors on the Board, their attendance at Board meeting during the year and at last Annual General Meeting, as also the number of Directorships and Committee memberships held by them in other companies is shown in **Table below**.

NAME OF DIRECTOR & DESIGNATION	CATEGORY	NUMBER OF BOARD MEETINGS ATTENDED DURING THE YEAR 2019-20	WHETHER ATTENDED LAST AGM HELD ON SATURDAY, 28 <sup>TH</sup> SEPTEMBER, 2019	NUMBER/NAME OF DIRECTORSHIPS IN OTHER COMPANIES		NO. OF COMMITTEE POSITIONS IN OTHER COMPANIES	
				Chairman	Member	Chairman	Member
Mr. K. Krishnam Raju, Whole-time Director & Chairman	Promoter Executive	7	YES	-	1. Innovision Life Sciences Private Limited 2. Krisani Bio Sciences Private Limited	-	-
Dr. Mohammed Aejaz Habeeb	Promoter Non-Executive Director	4	YES	-	-	-	-
Dr. Syed Ameer Basha Paspala	Promoter Non-Executive Director	7	YES	-	1. Krisani Bio Sciences Private Limited	-	-
Dr. A. Jyothy	Independent Non-Executive Director	6	YES	-	-	-	-
Dr. T.V. Rama Krishna Murthy	Independent Non-Executive Director	6	YES	-	-	-	-
Mr. B. Suryaprakasa Rao	Independent Non-Executive Director	7	YES	-	1. AR Pharmacare Private Limited	-	-

**10. Information supplied to the board:**

The Board has complete access to all information of the Company and is regularly provided advanced detailed information as a part of the agenda papers or is tabled therein. In addition, detailed quarterly performance report by the Managing Director is presented in the quarterly Board meeting, encompassing all facets of the Company's operations during the quarter, including update of key projects, outlook and matters relating to environment, health & safety, corporate social responsibility etc. The following information is provided to the Board as a part of the agenda papers:

- a) Annual and Quarterly financial statements for the Company and the Accounting Policy.
- b) Minutes of the meetings of the Audit Committee and other Committees of the Board.
- c) Annual business plan
- d) Information on recruitment and remuneration of senior officers just below the level of Board, including the appointment or removal of Chief Financial Officer and Company Secretary, whenever required
- e) Expansion projects and its status monitoring
- f) Fatal or serious accidents, injuries or any material environmental problems, if any
- g) Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company, if any
- h) Significant labour problems and their proposed solutions, whenever necessary
- i) Any significant development in human resources / industrial relations including long-term wage agreement, major voluntary retirement scheme, etc.
- j) Quarterly details of foreign exchange exposures and the steps taken by the management to limit the risks of adverse exchange rate movement, if material
- k) Quarterly disclosure of all the investments made
- l) Material non-compliance of any regulatory, statutory nature or listing requirements and shareholders service, such as non-payment of dividend, delay in share transfer and others, if any
- m) Quarterly review of compliance status under various laws applicable to the Company
- n) Substantial non-payment of goods sold by the Company except disputes
- o) Related Party Transactions, if they are not at arm's length and in the ordinary course of business
- p) Half-yearly summary of bank guarantees issued.
- q) All other matters required to be placed before the Board for its review / information / approval under the statutes, including SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**11. DISCLOSURE OF RELATIONSHIPS BETWEEN DIRECTORS INTER-SE**

Dr. Mohammed Aejaz Habeeb and Dr. Syed Ameer Basha Paspala are inter-se related as brother-in-laws.

**12. NUMBER OF SHARES AND CONVERTIBLE INSTRUMENTS HELD BY NON EXECUTIVEDIRECTORS:**

Dr. Mohammed Aejaz Habeeb and Dr. Syed Ameer Basha Paspala ,Non-Executive Directors of the Company holds 17,79,124 Equity shares and 16,61,800 Equity Shares respectively in their name.

**13. Performance Evaluation of Board, Committees and Directors:**

Pursuant to provisions of Regulation 17(10) of the SEBI Listing Regulations and the provisions of the Act, an annual Board effectiveness evaluation was conducted for FY 2019-20 on February 14, 2020, involving the following:

- (i) Evaluation of IDs, in their absence, by the entire Board was undertaken, based on their performance and fulfilment of the independence criteria prescribed under the Act and SEBI Listing Regulations; and
- (ii) Evaluation of the Board of Directors, its Committees and individual Directors, including the role of the Board Chairman.

An IDs' meeting, in accordance with the provisions of Section 149(8) read with Schedule IV of the Act and Regulation 25(3) and 25(4) of the SEBI Listing Regulations, was convened on February 14, 2020, mainly to review the performance of Independent Directors and the Whole Time Director as also the Board as a whole. All IDs were present at the said meeting.

- **Board:** Composition, responsibilities, stakeholder value and responsibility, Board development, diversity, governance, leadership, directions, strategic input, etc.
- **Executive Directors:** Skill, knowledge, performance, compliances, ethical standards, risk mitigation, sustainability, strategy formulation and execution, financial planning & performance, managing human relations, appropriate succession plan, external relations including CSR, community involvement and image building, etc.
- **Independent Directors:** Participation, managing relationship, ethics and integrity, Objectivity, bringing independent judgement, time devotion, protecting interest of minority shareholders, domain knowledge contribution, etc.
- **Chairman:** Managing relationships, commitment, leadership effectiveness, promotion of training and development of directors etc.
- **Committees:** Terms of reference, participation of members, responsibility delegated, functions and duties, objectives alignment with company strategy, composition of committee, committee meetings and procedures, management relations.

Performance evaluation was done on the scale of 1 to 5, 1 being very poor and 5 being outstanding. The outcome of performance evaluation is given below:

Categories	Rating (out of 5)
<b>Board as a whole</b>	4.90
<b>Individual Directors</b>	
Mr. K. Krishnam Raju	4.95
Dr. Mohammed Aejaz Habeeb	4.94
Dr. Syed Ameer Basha Paspala	4.95
Dr. Akka Jyothi	4.90
Mr. B. Surya Prakasa Rao	4.46
Dr. T.V. Ramakrihsna Murthy	4.72
Audit Committee	5.00
Stakeholder Relationship Committee	4.93
Nomination & Remuneration Committee	4.92
Independent Directors Committee	4.85

#### 14. Committees of the board:

The Company has four Board-level Committees - Audit Committee, Stakeholder Relationship Committee, Nomination & Remuneration Committee and Independent Directors Committee.

All decisions pertaining to the constitution of Committees, appointment of members and fixing of terms of service for Committee members are taken by the Board of Directors. Details on the role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided below:



- A. Audit committee:** Terms of reference of Audit committee covers all the matters prescribed under Regulation 18 of the Listing Regulations and Section 177 of the Act, 2013.
- B. Brief Description of Terms of Reference:** - Overview of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.
- i. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
  - ii. Recommending the appointment and removal of External Auditors, fixation of audit fee and approval for payment for any other services;
  - iii. Review with the management and statutory auditors of the annual financial statements before submission to the Board with particular reference to:
    - i. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
    - ii. Changes, if any, in accounting policies and practices and reasons for the same;
    - iii. Major accounting entries involving estimates based on the exercise of judgment by management;
    - iv. Significant adjustments made in the financial statements arising out of audit findings;
    - v. Compliance with listing and other legal requirements relating to financial statements
    - vi. Disclosure of any related party transactions;
    - vii. Modified opinion(s) in the draft audit report;
    - iv. Review of the quarterly and half yearly financial results with the management and the statutory auditors;
    - v. Examination of the financial statement and the auditors' report thereon;
    - vi. Review and monitor statutory auditor's independence and performance and effectiveness of audit process;
    - vii. Approval or any subsequent modification of transactions with related parties;
    - viii. Scrutiny of inter-corporate loans and investments;
    - ix. Review of valuation of undertakings or assets of the company wherever it is necessary;
    - x. Evaluation of internal financial controls and risk management systems;
    - xi. Review with the management, statutory auditors and the internal auditors about the nature and scope of audits and of the adequacy of internal control systems;
    - xii. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
    - xiii. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
    - xiv. Consideration of the reports of the internal auditors and discussion about their findings with the management and suggesting corrective actions wherever necessary;
    - xv. Look into the reasons for any substantial defaults in payment to the depositors, debenture-holders, shareholders (in case of non-payment of declared dividend) and creditors, if any;
    - xvi. Review the functioning of the whistle blower mechanism;
    - xvii. Review and monitor the end use of funds raised through public offers and related matters;

- xviii. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- xix. Frame and review policies in relation to implementation of the Code of Conduct for Prevention of Insider Trading and supervise its implementation under the overall supervision of the Board;
- xx. Discharge such duties and functions as indicated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013 and the rules made thereunder from time to time.
- xxi. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

**a. Review of the following information:**

- (a) management discussion and analysis of financial condition and results of operations;
  - (b) statement of significant related party transactions (as defined by the audit committee), submitted by management;
  - (c) management letters / letters of internal control weaknesses issued by the statutory auditors;
  - (d) internal audit reports relating to internal control weaknesses;
  - (e) The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee.
  - (f) Statement of deviations as per SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015
  - (1) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to Stock Exchange(s) in terms of Regulation 32(1).
  - (2) Annual statement of funds utilized for purposes other than those stated in the offer document /prospectus / notice in terms of Regulation 32(7).
  - (g) The Audit Committee of the listed holding company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary company.
- a. Carrying out any other function as may be referred to the Committee by the Board.
  - b. Authority to review / investigate into any matter covered by Section 177 of the Companies Act, 2013 and matters specified in Part C of Schedule II of the Listing Regulations.

**C. Internal Audit**

The Company has adequate internal control and Internal Audit system commensurate with its size and nature of its business. The Internal Audit Plan is approved by the Audit Committee and the Internal Auditors directly present their report to the Audit Committee for their consideration.

**D. Composition, Meetings & Attendance:**

The Audit Committee of the Company is constituted in accordance with the provisions of Regulation 18 of the Listing Regulations and the provisions of Section 177 of the Act. All members of the Committee are financially literate, with Mr. B. Suryaprakasa Rao, as Chairperson of the Committee, having the relevant accounting and financial management expertise.

The composition of the Audit Committee and the details of the meetings attended by its members during the financial year ended 31st March 2020 are as under:

Name	Designation	Category	No of Meetings held	No of Meetings attended
Dr. T.V. Rama Krishna Murthy	Member	NED(I)	4	4
Dr. A. Jyothy	Member	NED(I)	4	4
Dr. Syed Ameer Basha Paspala	Member	NED(P)	4	4
Mr. B. Suryaprakasa Rao	Chairman	NED(I)	4	4

The Audit Committee met 4 times during the financial year 2019-20 and the gap between any two meetings did not exceed 120 days. The dates on which the Audit Committee Meetings held were: 28th May 2019, 14th August 2019, 14th November 2019 and 14th February 2020. Requisite quorum was present at the above Meetings.

All the recommendations of the Audit Committee have been accepted by the Board of Directors.

During the year, the Audit Committee inter alia reviewed key audit findings covering Operational, Financial and Compliance areas, Risk Mitigation Plan covering key risks affecting the Company which were presented to the Committee. The Chairperson of the Audit Committee briefed the Board members on the significant discussions which took place at Audit Committee Meetings.

The Chairperson of the Audit Committee was present at the Annual General Meeting of the Company held on 28th September, 2019.

#### 15. Nomination and remuneration committee:

The Nomination and Remuneration Committee ('NRC') functions in accordance with Section 178 of the Act, Regulation 19 of the Listing Regulations and its Charter adopted by the Board. The terms of reference of the NRC includes:

- A. Recommend to the Board the setup and composition of the Board, including formulation of the criteria for determining qualifications, positive attributes and independence of a Director.
- B. Periodical review of composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
- C. Support the Board in matters related to the setup, review and refresh of the Committees.
- D. Devise a policy on Board diversity.
- E. Recommend to the Board the appointment or reappointment of Directors.
- F. Recommend to the Board how the Company will vote on resolutions for appointment of Directors on the Boards of its material subsidiaries.
- G. Recommend to the Board, the appointment of Key Managerial Personnel (KMP) and executive team members.
- H. Carry out the evaluation of every Director's performance and support the Board and Independent Directors in the evaluation of the performance of the Board, its Committees and individual Directors, including formulation of criteria for evaluation of the performance of Independent Directors and the Board.
- I. Oversee the performance review process for the KMP and executive team with the view that there is an appropriate cascading of goals and targets across the Company.
- J. Recommend the Remuneration Policy for the Directors, KMP, executive team and other employees.
- K. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.

- L. Recommend to the board, all remuneration, in whatever form, payable to senior management.
- M. On an annual basis, recommend to the Board the remuneration payable to Directors, KMP and executive team of the Company.
- N. Review matters related to remuneration and benefits payable upon retirement and severance to MD/EDs, KMP and executive team.
- O. Review matters related to voluntary retirement and early separation schemes for the Company.
- P. Provide guidelines for remuneration of Directors on material subsidiaries.
- Q. Recommend to the Board how the Company will vote on resolutions for remuneration of Directors on the Boards of its material subsidiaries.
- R. Assist the Board in fulfilling its corporate governance responsibilities relating to remuneration of the Board, KMP and executive team members.
- S. Oversee familiarization programmes for Directors.
- T. Review HR and People strategy and its alignment with the business strategy periodically, or when a change is made to either.
- U. Review the efficacy of HR practices, including those for leadership development, rewards and recognition, talent management and succession planning.
- V. Perform other activities related to the charter as requested by the Board from time to time

**Composition of the committee, meetings and attendance during the year:**

There were Three (3) Nomination and Remuneration Committee Meetings held during the financial year 2019-20 on 28.05.2019, 30.08.2019 & 14.02.2020.

Name	Designation	Category	No of Meetings held	No of Meetings attended
Dr. A. Jyothy	Chairperson	NED(I)	3	3
Dr. T.V. Rama Krishna Murthy	Member	NED(I)	3	3
Mr. B. Suryaprakasa Rao	Member	NED(I)	3	3

**REMUNERATION POLICY:**

The objectives of the remuneration policy are to motivate Directors to excel in their performance, recognize their contribution and retain talent in the organization and reward merit.

The remuneration levels are governed by industry pattern, qualifications and experience of the Directors, responsibilities shouldered and individual performance.

**POLICY FOR SELECTION OF DIRECTORS AND DETERMINING DIRECTORS' INDEPENDENCE:**

**1. Scope:**

This policy sets out the guiding principles for the Nomination & Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent Directors of the Company.

**2. Terms and References:**

2.1 "Director" means a Director appointed to the Board of a Company.

2.2 "Nomination and Remuneration Committee means the committee constituted in accordance with the provisions of Section 178 of the Companies Act, 2013, clause 49 of the Equity Listing Agreement and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2.3 “Independent Director” means a Director referred to in sub-Section (6) of Section 149 of the Companies Act, 2013, Clause 49(II)(B) of the Equity Listing Agreement and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

3.1.1 The Nomination & Remuneration Committee shall evaluate each individual with the objective of having a group that best enables the success of the Company’s business.

An independent Director in relation to a Company, means a Director other than a Managing Director or a whole-time Director or a nominee Director-

- a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- b. (i) who is or was not a promoters of the Company or its holding, subsidiary or associate Company;
- (ii) who is not related to promoters or Directors of the Company its holding, subsidiary or associate Company
- c. who has or had no pecuniary relationship with the Company, its holding, subsidiary or associate Company, or their promoters, or Director, during the two immediately preceding financial year or during the current financial year;
- d. none of whose relative has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate Company, or their promoters, or Directors, amounting to two percent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial year or during the current finance year;
- e. who, neither himself nor any of his relative-
  - (i) Holds or has held the position of a key managerial personnel or is or has been employee of the or associate Company in any of the three finance years immediately preceding the finance year in which he is proposed to be appointed;
  - (ii) Is or has been an employee or proprietor or a partner, in any of the three finance year immediately preceding the financial year in which he is proposed to be appointed of-
    - (A) A firm of auditors or Company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate Company; or
    - (B) Any legal or a consulting firm that has or had any transaction with the Company, its holding subsidiary or associate Company amounting to ten percent or more of the gross turnover of more of the gross turnover of such firm;
  - (i) holds together with his relatives two per cent or more of the total voting power of the Company; or
  - (ii) is a chief Executive or Director, by whatever name called, of any non-profit organization that receives twenty-five percent or more of its receipt from the Company any of its promoters, Directors or its holding subsidiary or associate Company or that holds two percent or more of the total voting power of the Company; or
  - (iii) is a material supplier, service provider or customer or a lesser or lessee of the Company.
- f. Shall possess appropriate skills experience and knowledge in one or more field of finance, law management, sales, marketing administration, research, corporate governance, technical operations, corporate social responsibility or this disciplines related to the Company’s business.
- g. Shall possess such other qualifications as may be prescribed from timetotime, under the Companies Act, 2013.
- h. Who is not less than 21 years of age

**A. Remuneration policy for Directors, key managerial personnel and other employees:**

The objectives of the remuneration policy are to motivate Directors to excel in their performance, recognize their contribution and retain talent in the organization and reward merit.

The remuneration levels are governed by industry pattern, qualifications and experience of the Directors, responsibilities shouldered and individual performance.

**1. Scope:**

- 1.1 This policy sets out the guiding principles for the Nomination and Remuneration committee for recommending to the Board the remuneration of the Directors, key managerial personnel and other employees of the Company.

**2. Terms and Reference:**

In this policy the following terms shall have the following meanings:

- 2.1 "Director" means a Director appointed to the Board of the Company.
- 2.2 "key managerial personnel" means
- (i) The Chief Executive Officer or the managing Director or the manager;
  - (ii) The Company Secretary;
  - (iii) The Whole-time Director;
  - (iv) The Chief Financial Officer; and
  - (v) Such other office as may be prescribed under the Companies Act, 2013
- 2.3 "Nomination and Remuneration committee" means the committee constituted by Board in accordance with the provisions of Section 178 of the companies Act, 2013, clause 49 of the Equity Listing Agreement and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**3. Policy:**

**3.1 Remuneration to Executive Director and key managerial personnel**

- 3.1.1 The Board on the recommendation of the Nomination and Remuneration (NR) committee shall review and approve the remuneration payable to the Executive Director of the Company within the over all approved by the shareholders.

- 3.1.2 The Board on the recommendation of the NR committee shall also review and approve the remuneration payable to the key managerial personnel of the Company.

- 3.1.3 The remuneration structure to the Executive Director and key managerial personnel shall include the following Components:

- (i) Basic pay
- (ii) Perquisites and Allowances
- (iii) Stock Options
- (iv) Commission (Applicable in case of Executive Directors)
- (v) Retrial benefits
- (vi) Annual performance Bonus

- 3.1.4 The Annual plan and Objectives for Executive committee shall be reviewed by the NR committee and Annual performance bonus will be approved by the committee based on the achievement against the Annual plan and Objectives.

**3.2 Remuneration to Non-Executive Directors**

- 3.2.1 The Board, on the recommendation of the NR Committee, shall review and approve the remuneration payable to the Non – Executive Directors of the Company within the overall limits approved by the share holders as per the provisions of the Companies Act.

3.2.2 Non-Executive Directors shall be entitled to sitting fees attending the meetings of the Board and the Committees thereof. The Non- Executive Directors shall also be entitled to profit related commission in addition to the sitting fees.

3.3. Remuneration to other employees

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

## **B. MECHANISM FOR EVALUATION OF THE BOARD**

Evaluation of all Board members is performed on an annual basis. The evaluation is performed by the Board, Nomination and Remuneration Committee and Independent Directors with specific focus on the performance and effective functioning of the Board and Individual Directors.

In line with Securities and Exchange Board of India Circular No. SEBI/HO/CFD/CMD/CIR/P/2017/004, dated January 5, 2017 and the Companies Amendment Act, 2017 the Company adopted the recommended criteria by Securities and Exchange Board of India.

### **The Directors were given six Forms for evaluation of the following:**

- (i) Evaluation of Board;
- (ii) Evaluation of Committees of the Board;
- (iii) Evaluation of Independent Directors;
- (iv) Evaluation of Chairperson;
- (v) Evaluation of Non-Executive and Non-Independent Directors; and
- (vi) Evaluation of Managing Director.

### **The Directors were requested to give following ratings for each criteria:**

1. Could do more to meet expectations;
2. Meets expectations; and
3. Exceeds expectations.

The Directors have sent the duly filled forms to Nomination & Remuneration committee. Based on the evaluation done by the Directors, the Committee has prepared a report and submitted the Evaluation Report. Based on the report, the Board of Directors has informed the rankings to each Director and also informed that the performance of Directors is satisfactory and they are recommended for continuation as Directors of the Company.

## **C. REMUNERATION TO DIRECTORS**

- (a) all pecuniary relationship or transactions of the non-executive directors vis-à-vis the listed entity shall be disclosed in the annual report
- (b) criteria of making payments to non-executive directors. alternatively, this may be disseminated on the listed entity's website and reference drawn there to in the annual report;
- (c) disclosures with respect to remuneration: in addition to disclosures required under the Companies Act, 2013, the following disclosures shall be made:
  - (i) all elements of remuneration package of individual directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc;
  - (ii) details of fixed component and performance linked incentives, along with the performance criteria;
  - (iii) service contracts, notice period, severance fees;

- (iv) stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable.

Name of the Director	Remuneration	Sitting Fees	Number of shares held
Mr. K. Krishnam Raju	36,00,000	-	2899630
Dr. Mohammed Aejaz Habeeb	-	-	1779124
Dr. Syed Ameer Basha Paspala	-	-	1661800
Dr. Akka Jyothy	-	90,000	-
Dr. T.V. Rama Krishna Murthy	-	1,05,000	-
Mr. Suryaprakasa Rao Bommiseti	-	1,05,000	-

#### 16. Stakeholder's relationship committee:

Terms of reference of the committee comprise of various matters provided under Regulation 20 of the Listing Regulations and section 178 of the Act, 2013 which inter-alia include:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Proactively communicate and engage with stockholders including engaging with the institutional shareholders at least once a year along with members of the Committee/Board/ KMPs, as may be required and identifying actionable points for implementation.
- Review of measures taken for effective exercise of voting rights by shareholders
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

The Committee comprises of 4 Directors out of which 3 are independent. In the financial year 2019-20, 4 meetings of the Committee were held on 28 May 2019, 14 Aug 2019, 14 Nov 2019 and 14 Feb 2020. Composition of committees and member's attendance at the meetings during the year are as under:

Name	Designation	Category	No of Meetings held	No of Meetings attended
Dr. T.V. Rama Krishna Murthy	Chairman	NED(I)	4	4
Dr. A. Jyothy	Member	NED(I)	4	4
Dr. Mohammed Aejaz Habeeb	Member	NED(P)	4	3
Mr. B. Suryaprakasa Rao	Member	NED(I)	4	4



No Complaints were received during the financial year 2019-20

**Name and designation of compliance officer:**

Ms. Neha Kankariya is the Company Secretary and Compliance officer of the Company

**17. Performance evaluation criteria for independent directors:**

The Nomination & Remuneration Committee shall evaluate each individual with the objective of having a group that best enables the success of the company's business.

**1. Policy:**

- The Nomination and Remuneration Committee, and the Board, shall review on annual basis, appropriate skills, knowledge and experience required of the Board as a whole and its individual members. The objective is to have a board with diverse background and experience that are relevant for the Company's operations.
- In evaluating the suitability of individual Board member the NR Committee may take into account factors, such as:
  - (i) General understanding of the company's business dynamics, global business and social perspective;
  - (ii) Educational and professional background
  - (iii) Standing in the profession;
  - (iv) Personal and professional ethics, integrity and values;
  - (v) Willingness to devote sufficient time and energy in carrying out their duties and responsibilities effectively.

**2.1 The proposed appointee shall also fulfil the following requirements:**

- (i) shall possess a Director Identification Number;
- (ii) shall not be disqualified under the companies Act, 2013;
- (iii) shall endeavour to attend all Board Meeting and Wherever he is appointed as a Committee Member, the Committee Meeting;
- (iv) shall abide by the code of Conduct established by the company for Directors and senior Management personnel;
- (v) shall disclose his concern or interest in any company or companies or bodies corporate, firms, or other association of individuals including his shareholding at the first meeting of the Board in every financial year and thereafter whenever there is a change in the disclosures already made;
- (vi) Such other requirements as may be prescribed, from time to time, under the companies Act, 2013, SEBI ( Listing Obligations and Disclosure Requirements) Regulations 2015 and other relevant laws.

**3. Criteria of independence**

- 3.1 The Nomination & Remuneration Committee shall assess the independence of Directors at time of appointment/ re-appointment and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interest or relationships are disclosed by a Director.
- 3.2 The criteria of independence shall be in accordance with guidelines as laid down in companies Act, 2013 and Regulation 16(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 3.3 The independent Director shall abide by the "code for independent Directors "as specified in Schedule IV to the companies Act, 2013.

**4. Other directorships/ committee memberships**

4.1 The Board members are expected to have adequate time and expertise and experience to contribute to effective Board performance. Accordingly, members should voluntarily limit their directorships in other listed

public limited companies in such a way that it does not interfere with their role as director of the company. The NR Committee shall take into account the nature of and the time involved in a director's service on other Boards, in evaluating the suitability of the individual Director and making its recommendations to the Board.

- 4.2 A Director shall not serve as director in more than 20 companies of which not more than 10 shall be public limited companies.
- 4.3 A Director shall not serve as an independent Director in more than 7 listed companies and not more than 3 listed companies in case he is serving as a whole-time Director in any listed company.
- 4.4 A Director shall not be a member in more than 10 committees or act as chairman of more than 5 committee across all companies in which he holds directorships.

For the purpose of considering the limit of the committee, Audit committee and stakeholder's relationship committee of all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies and companies under section 8 of the companies Act, 2013 shall be excluded.

## 18. INDEPENDENT DIRECTORS

The Company has complied with the definition of Independence as per Regulation 16(1) (b) of the SEBI (LODR), Regulations, 2015 and according to the Provisions of Section 149(6) of the Companies Act, 2013. The Company has also obtained declarations from all the Independent Directors pursuant to Section 149(7) of the Companies Act, 2013.

The Company confirms that in the opinion of the board, the independent directors fulfill the conditions specified in these regulations and are independent of the management.

### Independent Directors' Meeting:

As per Clause 7 of the schedule IV of the Companies Act (Code for Independent Directors) read with Regulation 25(3) of SEBI LODR Regulations, 2015, a separate meeting of the Independent Directors of the Company (without the attendance of Non-Independent directors) was held on 14/02/2020 to discuss:

- a. Evaluation of the performance of Non Independent Directors and the Board of Directors as whole;
- b. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors of the Company were present at the meeting.

As required under Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company regularly familiarizes Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc.

## 19. Familiarization program for independent directors:

The Board members are provided with necessary documents, reports, internal policies and site visits to enable them to familiarize with the Company's operations, its procedures and practices. Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company business, strategy and risks involved. Detailed presentations on the Company's business segments were made at the meetings of the Directors held during the year. During the financial year 2019-20, there has been no change in the independent director of the Company.

The Company's Policy of conducting the Familiarization Program and details of such familiarisation program during the year, is placed on its website viz., [www.drhlsl.com](http://www.drhlsl.com)

## 20. Details on General body meetings:

- (a) location and time, where last three annual general meetings held

Year	Date	Time	Venue	Special Resolution Passed
2016-17	27.09.2017	10:30 a.m.	2-5-36/CLRD/1, Survey No. 36, Chintalmet X Roads, Upperpally, Rajendra Nagar Mandal, Hyderabad – 500048, Telangana, India	Yes
2017-18	28.09.2018	10:30 a.m.	2-5-36/CLRD/1, Survey No. 36, Chintalmet X Roads, Upperpally, Rajendra Nagar Mandal, Hyderabad – 500048, Telangana, India	Yes
2018-19	28.09.2019	10:30 a.m.	2-5-36/CLRD/1, Survey No. 36, Chintalmet X Roads, Upperpally, Rajendra Nagar Mandal, Hyderabad – 500048, Telangana, India	Yes

(b) whether any special resolutions passed in the previous three annual general meetings : Yes

(c) whether any special resolution passed last year through postal ballot – details of voting pattern: No.

## 21. MEANS OF COMMUNICATION

### I. FINANCIAL RESULTS

The Company's Financial Results (Quarterly, Half-Yearly and Yearly) are sent to the Stock Exchanges immediately after the Board approves the same and are published in English and Regional Language Newspapers and displayed on the website of the company at <http://www.drhlsl.com/investor/financials/>

### II. NEWS RELEASES, PRESENTATIONS, AMONG OTHERS

As the Financial Performance of the Company is well published, hence, individual communication of Half Yearly Results are not sent to the Shareholders. There are NIL News Releases, Presentations made by the Company.

### III. PRESENTATIONS TO INSTITUTIONAL INVESTORS / ANALYSTS

Not Applicable

### IV. WEBSITE

The Company's website ([www.drhlsl.com](http://www.drhlsl.com)) contains a separate dedicated section 'Investors' where shareholder's information is available. All the information as specified under Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are uploaded under Investor section of the website.

### V. DEDICATED E – MAIL ID FOR INVESTORS

In terms of SEBI (LODR) Regulations, 2015 the company has designated e-mail exclusively for investor service: [investorrelations@drhlsl.com](mailto:investorrelations@drhlsl.com).

## 21.1. GENERAL SHAREHOLDER INFORMATION

### I. DATE, TIME AND VENUE OF THE ANNUAL GENERAL MEETING

Date : Saturday, 26th December, 2020

Time : 11.00AM

Venue : Video Conference

### Book Closure Date

Saturday, 19th December, 2020 to Saturday, 26th December, 2020 (Both days inclusive) for the purpose of 24th AGM.

**II. PARTICULARS OF FINANCIAL CALENDAR**

Financial year: April 1 to March 31

**III. DIVIDEND PAYMENT DATE**

No Dividend declared for the Financial Year 2019-20.

Quarterly Results: Tentative Dates for Declaration of Financial Results

1st Quarter	-	On or before 14th August, 2020
2nd Quarter	-	On or before 14th November, 2020
3rd Quarter	-	On or before 14th February, 2021
4th Quarter & year ended	-	On or before 30th May, 2021

**IV. NAME AND ADDRESS OF STOCK EXCHANGES WHERE THE COMPANY'S SHARES ARE LISTED AND CONFIRMATION OF PAYMENT OF ANNUAL LISTING FEES**

Equity Shares	Stock Code
BSE Limited P.J. Towers, 25th Floor, Dalal Street, Fort, Mumbai – 400 001	539267
Metropolitan Stock Exchange of India Limited Vibgyor Towers, 4th floor, Plot No C 62, Opp. Trident Hotel, BandraKurla Complex, Bandra (E), Mumbai – 400 098	DRHABEEB

The Listing Fees have been paid for the Financial Year 2019-20 by the Company.

**V. MARKET PRICE DATA**

The monthly high and low prices recorded in BSE during the Financial Year 2019-20 is as under

Month	BSE Ltd.				Metropolitan Stock exchange India Ltd (NSEI)			
	Open Price	High Price	Low Price	Close Price	Open Price	High Price	Low Price	Close Price
Apr 19	32.45	34.95	28.90	28.90	--	--	--	--
May 19	29.00	34.65	26.35	33.95	--	--	--	--
Jun 19	32.30	43.20	27.95	43.20	--	--	--	--
Jul 19	45.30	45.30	45.30	45.30	--	--	--	--
Aug 19	45.30	47.55	45.30	47.55	--	--	--	--
Sep 19	47.55	60.00	47.40	60.00	--	--	--	--
Oct 19	59.90	62.85	59.90	62.85	--	--	--	--
Nov 19	62.85	69.20	62.85	69.20	--	--	--	--
Dec 19	71.95	75.50	68.10	71.50	--	--	--	--
Jan 20	70.00	70.00	63.25	63.25	--	--	--	--
Feb 20	60.10	63.10	57.00	57.00	--	--	--	--
Mar 20	--	--	--	--	--	--	--	--

**VI. SUSPENSION OF SECURITIES FROM TRADING BY DIRECTORS:** NotApplicable**VII. REGISTRAR TO AN ISSUE AND SHARE TRANSFER AGENTS:**

Venture Capital and Corporate Investments Private Ltd  
 Address: 12-10-167, Bharat Nagar, Hyderabad – 500 018 Telangana State, India  
 Ph No. 040-23818475, 23818476  
 Email: info@vccilindia.com  
 Website: www.vccipl.com

**VIII. SHARE TRANSFER SYSTEM**

The Registrar and Share Transfer Agents of the Company viz. Venture Capital and Corporate Investments Private Limited handle share transfer in compliance of SEBI requirement after due approval by Board/Share Transfer Committee. Share Transfers are entertained, both under Demat Form and Physical Form and generally takes 1-2 weeks. Also the company has made arrangements for simultaneous dematerialization of share certificates lodged for transfer, subject to the regulations specified by SEBI in this regard.

**IX. DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2020**

SL. NO.	Nominal Value	Holders	Holders %	Amount	Amount %
1	Upto - 5000	399	82.61	40371	0.27
2	5001 - 10000	12	2.48	9743	0.07
3	10001 - 20000	7	1.45	10249	0.07
4	20001 - 30000	3	0.62	8233	0.05
5	30001 - 40000	3	0.62	11617	0.08
6	40001 - 50000	6	1.24	28862	0.19
7	50001 - 100000	10	2.07	81791	0.55
8	100001 and above	43	8.9	14617840	98.71
	<b>TOTAL</b>	<b>483</b>	<b>100</b>	<b>14808706</b>	<b>100</b>

**X. DEMATERIALIZATION OF SHARES AND LIQUIDITY AS ON 31ST MARCH, 2020**

Trading in Company's shares is permitted only in dematerialized form for all investors. The ISIN allotted to the Company's scrip is INE579N0101.

NATIONAL SECURITIES DEPOSITORY LIMITED	CENTRAL DEPOSITORY SERVICES (INDIA) LIMITED
Trade World, Kamala Mills Compound, Senapati BapatMarg, Lower Parel, Mumbai – 400 013	25th Floor, A Wing, Marathon Futorex, Mafatlal Mills Compound, NM Joshi Marg, Lower Parel (E), Mumbai - 400013

Mode	No. of shares	% of total paid up
CDSL	48,99,674	33.08
NSDL	83,99,032	56.72
Physical	15,10,000	10.20
	<b>14808706</b>	<b>100.00</b>

Investors are therefore advised to open a demat account with a Depository participant of their choice to trade in dematerialized form. The Shares of the Company are actively traded in BSE Limited. Hence have good liquidity.

#### XI. OUTSTANDING GDRS/ADRS/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY

A) The Company has issued 37,50,000 Convertible Equity Share Warrants to the following:

##### 1. Promoters –

Dr. Mohammed AejazHabeb	5,00,000	Allotted Warrants on 24/01/2018	Converted into Equity Shares on 14/06/2019
Dr. Syed Ameer Basha Paspala	5,00,000	Allotted Warrants on 24/01/2018	Converted into Equity Shares on 14/06/2019

##### 2. Non-Promoters –

No. of Warrants Issued and Allotted	27,50,000	17/11/2017
No. of Warrants Converted into Equity Shares – 1st Trench	7,00,000	24/01/2018
No. of Warrants Converted into Equity Shares – 2nd Trench	4,55,000	04/05/2018
No. of Warrants Converted into Equity Shares – 3rd Trench	15,95,000	26/03/2019

B) No GDR / ADR / Other Convertible Instruments issued by the Company

#### XII. COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

The Company is not carrying on any Commodity Business and has also not undertaken any hedging activities, hence same are not applicable to the Company.

#### XIII. ADDRESS FOR CORRESPONDENCE

Dr Habeebullah Life Sciences Limited

Address: 2-5-26/CLRD/1, Survey No. 36, Chintalmet X Roads,

Upperpally, Rajender Nagar Mandal, Hyderabad, 500048, Telangana State, India

Contact: +91 9030057370, 040 2970 3333

E-mail: investorrelations@drhsl.com

## XIV. CATEGORY OF EQUITY SHAREHOLDERS AS ON 31ST MARCH, 2020.

S. No.	CATEGORY OF SHAREHOLDER	No. of shares held	Percentage of shareholding
<b>(A)</b>	<b>PROMOTER AND PROMOTER GROUP</b>		
(1)	INDIAN		
(a)	Individual	86,29,030	58.27
(b)	Others	--	--
	<b>Sub-Total A(1) :</b>	86,29,030	58.27
(2)	FOREIGN	--	--
(a)	Individuals	--	--
	<b>Sub-Total A(2) :</b>	--	--
	<b>Total A=A(1)+A(2)</b>	86,29,030	58.27
<b>(B)</b>	<b>PUBLIC SHAREHOLDING</b>		
(1)	INSTITUTIONS		
(a)	Financial Institutions /Banks	--	--
(b)	Foreign Institutional Investors	--	--
	<b>Sub-Total B(1) :</b>	--	--
(2)	<b>NON-INSTITUTIONS</b>		
(a)	Bodies Corporate	603	--
(b)	Individuals	5379068	36.33
(c)	Others		
(i)	CLEARING MEMBERS	1	--
(ii)	FOREIGN BODIES	--	--
(iii)	FOREIGN NATIONALS	--	--
(iv)	NBFC	--	--
(v)	NON RESIDENT INDIANS	800004	5.40
<b>(vi)</b>	<b>TRUSTS</b>	--	--
(vii)	Sub-Total B(2) :	6179676	41.73
	Total B=B(1)+B(2) :	6179676	41.73
	Total (A+B) :	14808706	100.00
	<b>GRAND TOTAL (A+B+C) :</b>	<b>14808706</b>	<b>100.00</b>

## 22. OTHER DISCLOSURES

## I. MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS:

During the year under review, the Company had not entered in to any materially significant transaction with any related party that may have potential conflict with the interests of the Company at large.

All the other Related Party Transactions held were duly approved by the Audit Committee, Board and Shareholders of the Company, wherever applicable.

Transactions with the Related Parties as required under Accounting Standard-18 are disclosed as Notes to the Standalone Financial Statements forming part of this Annual Report.

**II. COMPLIANCES:**

MSEI has imposed a penalty on the Company for delay in submission of voting results of AGM for the year 2018-19 and the company has paid the penalty for the same.

The Board reviews the compliance of all the applicable laws and gives appropriate directions wherever necessary.

**III. VIGIL MECHANISM / WHISTLE BLOWER POLICY:**

(Set up in terms of Sec 177 of the Companies Act, 2013 read with Regulation 22 of SEBI LODR Regulations, 2015)

With a view to adopt the highest ethical standards in the course of business, the Company has a whistle blower policy in place for reporting the instances of conduct which are not in conformity with the policy. Directors, employees, vendors or any person having dealings with the Company may report non-compliance to the Chairman of the Audit Committee, who reviews the report.

Confidentiality is maintained of such reporting and it is ensured that the whistle blowers are not subjected to any discrimination. No person was denied access to the Audit Committee.

**IV. COMPLIANCE WITH THE MANDATORY REQUIREMENTS AND ADOPTION OF THE NON-MANDATORY REQUIREMENTS OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

All mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been appropriately complied with and the status of non-mandatory requirements is given below:

- The Chairman of the Company is an Executive Chairman and hence the provisions for Non-Executive Chairman are not applicable. All other requirements of the Board during the year have been complied with.
- The financial Statements are free from any Audit Qualifications.
- At present, other non-mandatory requirements have not been adopted by the Company.

**V. WEB LINKS**

Policy for determining material subsidiaries - <http://www.drhlsl.com/wp-content/uploads/2018/06/Policy-for-determining-Material-Subsidiaries.pdf>

Policy on dealing with related party transactions - <http://www.drhlsl.com/wp-content/uploads/2018/06/Policy-on-Related-Party-Transactions.pdf>

**VI. NON COMPLAINT OF ANY REQUIREMENT OF CORPORATE GOVERNANCE REPORT**

The Company has complied with all the requirements relating to the Corporate Governance Regulation as per SEBI (LODR) Regulations, 2015.

**VII. MATERIAL SUBSIDIARY COMPANIES**

The Company does not have any material non-listed Indian subsidiary company and hence, the requirement of inducting an Independent Director on the Board of Directors of the subsidiary company in terms of regulation 24(1) of the Listing Regulations does not arise.

**VIII. DISCLOSURE OF COMPLIANCES WITH CORPORATE GOVERNANCE:**

The Compliance Status w.r.t. to the Regulation 17 to 27 and Clauses (b) to (i) of Regulation 46(2) of SEBI (LODR) Regulations, 2015 is as follows:



Regulation	Particular of Regulations	Compliance Status (Yes/No)
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management Committee	Not Applicable
22	Vigil Mechanism	Yes
23	Related party Transactions	Yes
24	Corporate Governance requirements with respect to Subsidiary of listed entity	Yes
25	Obligations with respect to Independent Directors	Yes
26	Obligations with respect to Directors and Senior Management	Yes
27	Other Corporate Governance requirements	Yes
46(2)(b) to (i)	Website	Yes

### COMPLIANCE CERTIFICATE

The Compliance certificate from practicing company secretaries regarding compliance of conditions of corporate governance shall be annexed as Annexure VIII

#### 1. Other disclosures:

- a. Details of transactions with related parties as specified in Indian Accounting Standards (IND AS 24) have been reported in the financial Statements. During the year under review, there was no transaction of a material nature with any of the related parties, which was in conflict with the interests of the Company at large. The Audit Committee takes into consideration the management representation and an independent audit consultant's report, whilst scrutinizing and approving all related party transactions, from the perspective of fulfilling the criteria of meeting arms' length pricing and being transacted in the ordinary course of business. During the period, all transactions with related parties entered into by the Company were in the ordinary course of business and on an arm's length basis, were approved by the Audit Committee. The detailed Policy on Related Party Transactions is available on the website of the Company at [www.dhisl.com](http://www.dhisl.com).
- b. In accordance with the provisions of the Act and Regulation 22 of the SEBI Listing Regulations the Company has in place a Vigil Mechanism and a Whistle-Blower Policy duly approved by the Audit Committee which provides a formal mechanism for all Directors and employees of the Company to approach the Management of the Company and make protective disclosures to the Management about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics policy. The disclosures reported are addressed in the manner and within the time frames prescribed in the Policy. The Company affirms that no director or employee of the Company has been denied access to the Audit Committee.

The Company has revised the Whistle-Blower policy to insert "reporting of incidents of leak or suspected leak of UPSI" in terms of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time. Kindly refer to the Company's website at [www.dhisl.com](http://www.dhisl.com).

- c. The Company has complied with all the mandatory requirements of Corporate Governance as specified in sub paras(2) to (10) of Part C of Schedule V of the SEBI Listing Regulations and disclosures on compliance with corporate governance requirements specified in Regulations 17 to 27 have been included in the relevant sections of this report.
- d. The Company also fulfils all the non-mandatory requirements as specified in Part E of the Schedule II of the SEBI Listing Regulations.

- i. The company has an Executive Chairman.
- ii. The Company has moved towards a regime of Standalone and Consolidated Financial Statements with unmodified audit opinion.
- iii. The Internal Auditor makes presentations to the Audit Committee.
- iv. Shareholders Rights: The Company has adopted requirements with regard to sending of quarterly half yearly financial results to the Members of the Company.
- e. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) – **Not applicable.**
- f. None of the Directors of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India or the Ministry of Corporate Affairs or any such statutory authority. A Certificate to this effect, duly signed by the Practicing Company Secretary is annexed to this Report.
- g. The Company has established an appropriate mechanism for dealing with complaints in relation to Sexual Harassment of Women at Workplace, in accordance with its Policy on Prevention of Sexual Harassment at Workplace ('POSH'). There were No complaints received during the period under review.
- h. The Company is in compliance with the disclosures required to be made under this report in accordance with Regulation 34(3) read together with Schedule V(c) to the SEBI Listing Regulations.
- i. Appropriate information has been placed on the Company's website pursuant to clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations.
- j. Commodity price risk and commodity hedging activities: **Not Applicable**
- k. Disclosures with respect to demat suspense account/ unclaimed suspense account: **Not Applicable**
- l. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor: Rs. 2,36,000 per year

Subsidiary Company – Krisani Biosciences Private Limited – Rs.29, 500/- per annum

**m. CEO/WTD Certification**

The Certificate from CFO as required under Part D of Schedule V of the Listing Regulations containing declaration as to affirming compliance with the Code of Conduct of Board of Directors and Senior Management attached as **Annexure VII**

**n. WTD/CFO CERTIFICATE**

In terms of regulation 17(8) of the Listing Regulations, the Managing Director & CEO and the CFO made a certification to the Board of Directors in the prescribed format for the year at the review, which has been reviewed by the Audit Committees and taken on record by the Board. The same is attached as **Annexure VI.**

**Annexure-VI****WTD and CFO CERTIFICATION**

(Regulation 17(8) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015)

To  
The Board of Directors  
**DR HABEEBULLAH LIFE SCIENCES LIMITED**

We, K. Krishnam Raju, Whole-time Director and K.N.V Narendra Kumar, Chief Financial Officer of the Company, to the best of our knowledge and information, and on behalf of the Company certify that:

- a. We have reviewed financial statements and the Cash flow Statement for the year ended 31st March, 2020 and that to the best of our knowledge and belief :
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the quarter which are fraudulent, illegal or violative of the company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and We have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and We have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which We are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. During the year under reference -
  - (i) there were no significant changes in the internal control over financial reporting;
  - (ii) no significant changes in accounting policies were made; and
  - (iii) no instance of significant fraud and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting, has come to our notice.

Place: Hyderabad  
Date: 29.07.2020

Sd/-  
K. Krishnam Raju  
Whole-time Director  
(DIN 00874650)

Sd/-  
K.N.V Narendra Kumar  
Chief Financial Officer

**Annexure-VII****DECLARATION OF CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT**  
(Pursuant to Regulation 26(3) & Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

This is to confirm that the Company has adopted Code of Conduct for the Board of Directors and the Senior Management of the Company, which is available on the Company's website <http://www.drhlsl.com/wp-content/uploads/2018/06/Code-of-Conduct-BOD-Senior-Mgmt.pdf>

I, hereby declare that the Board of Directors and the Senior Management Personnel of the Company have affirmed their compliance with the "Code of Conduct for Board of Directors and Senior Management of DR HABEEBULLAH LIFE SCIENCES LIMITED.

**For and on Behalf of the Board of Directors**

**Place: Hyderabad**  
**Date: 29.07.2020**

**Sd/-**  
**K. Krishnam Raju**  
**Executive Chairman**  
**(DIN 00874650)**

**Annexure-VIII****CERTIFICATE ON CORPORATE GOVERNANCE**

To the Members of  
**DR HABEEBULLAH LIFE SCIENCES LIMITED**

I have examined the compliance of conditions of Corporate Governance by DR HABEEBULLAH LIFE SCIENCES LIMITED (the Company), for the year ended 31st March, 2020, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement and the SEBI Regulations, as applicable.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For S.S. Reddy & Associates**

**Place: Hyderabad**  
**Date: 29.07.2020**

**Sd/-**  
**S. Sarveswar Reddy**  
**Practicing Company Secretary**  
**C.P. No. 7478**  
**UDIN: A012611B000509877**

**PRACTICING COMPANY SECRETARY'S CERTIFICATE ON DIRECTORS****To the Members of Dr Habeebullah Life Sciences Limited**

I, S. Sarveswar Reddy, Practicing Company Secretary, have examined the Company and Registrar of Companies records, books and papers of (CIN: L85110TG1996PLC099198) having its Registered Office at 25-36/CLRD/1, Survey No. 36, Chintalmet X Roads, Upperpally, Rajendra Nagar Mandal, Hyderabad – 500048, Telangana, India (the Company) as required to be maintained under the Companies Act, 2013, SEBI Regulations, other applicable rules and regulations made there under for the Financial Year ended on March 31, 2020.

In my opinion and to the best of my information and according to the examinations carried out by me and explanations and representation furnished to me by the Company, its officers and agents, we certify that none of the following Directors of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority as on March 31, 2020.

List of Directors of the Company as on 31st March, 2020:

<b>S. No</b>	<b>DIN No</b>	<b>Name of the Director</b>	<b>Designation</b>
1.	00874650	Mr. K. Krishnam Raju	Promoter & Executive Chairman
2.	02265024	Dr. Mohammed Aejaz Habeeb	Promoter – Non Executive
3.	07585133	Dr. Syed Ameer Basha Paspala	Promoter – Non Executive
4.	07687798	Dr. Akka Jyothy	Independent Director
5.	07688759	Dr. T.V. Rama Krishna Murthy	Independent Director
6.	08089189	Mr. B. Suryaprakasa Rao	Independent Director

**For S.S. Reddy & Associates**

**Sd/-**

**S. Sarveswar Reddy**  
**Practicing Company Secretary**  
**C.P. No. 7478**  
**UDIN: A012611B000509877**

**Place: Hyderabad**  
**Date: 29.07.2020**

**INDEPENDENT AUDITOR'S REPORT**

**To the Members of Dr Habeebullah Life Sciences Limited**

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

**Opinion**

We have audited the standalone financial statements of Dr Habeebullah Life Sciences Limited ("the Company"), which comprise the balance sheet as at March 31, 2020, and the statement of Profit and Loss, statement of changes in equity and statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and loss, changes in equity 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 Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) 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.

**Emphasis of Matter**

We draw attention to the following matters in the Notes to the standalone financial statements:

We draw attention to Note 30 to the financial statements which states that the management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended March 31, 2020 and has concluded that there is no impact which is required to be recognised in the financial statements. Accordingly, no adjustments have been made to the standalone financial statements.

**Our opinion is not modified in respect of this matter.**

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in

our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

**Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the Director's report but does not include the standalone financial statements and our auditor's 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.

### **Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

The Company's Board of Directors is 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 financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's Responsibilities for the Audit of the 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Standalone Financial Statements.

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
3. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

For MSKA & Associates  
Chartered Accountants  
ICAI Firm Registration No. 105047W

Ananthkrishnan Govindan  
Partner  
Membership No. 205226  
UDIN: 20205226AAAAGA4798

Place: Hyderabad  
Date: July 29, 2020



**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF DR HABEEBULLAH LIFE SCIENCES LIMITED****Auditor's Responsibilities for the Audit of the 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 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 internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

For MSKA & Associates  
Chartered Accountants  
ICAI Firm Registration No. 105047W

Ananthkrishnan Govindan  
Partner  
Membership No. 205226  
UDIN: 20205226AAAAGA4798

Place: Hyderabad  
Date: July 29, 2020

**ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF DR HABEEBULLAH LIFE SCIENCES LIMITED FOR THE YEAR ENDED MARCH 31,2020**

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

- i.
- (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets (Property, Plant and Equipment).
- (b) Fixed assets (Property, Plant and Equipment) have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given to us, there are no immovable properties, and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- ii. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on verification between the physical stock and the book records.
- iii. The Company has granted loans, secured to Innovasion Life Sciences Private Limited covered in the register maintained under section 189 of the Act.
- (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the rate of interest and other terms and conditions on which the loans have been granted to the Company listed in the register maintained under Section 189 of the Act are not, prima facie, prejudicial to the interest of the Company.
- (b) In case of the loans granted to the Company listed in the register maintained under section 189 of the Act, schedule of repayment of principal and payment of interest have been stipulated. However, the parties have not repaid the principal amount as stipulated and have also not been regular in the payment of interest to the Company.
- (c) The According to the information and explanations given to us and on the basis of our examination of the records of the Company, the details of amount overdue for more than ninety days are as follows:

No. of Cases	Principal amount overdue	Interest overdue	Total overdue	Remarks (specify whether reasonable steps have been taken by the Company for recovery of principal amount and interest)
1	94,00,000	24,10,319	1,18,10,319	Company is discussing with Borrower to recover the loan.

- iv. In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act and the Company has not made investments through more than two layers of investment companies in accordance with the provisions of section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under. Accordingly, provisions stated in paragraph 3(v) of the Order are not applicable to the Company.
- vi. The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the Order are not applicable to the Company.

- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, cess and other statutory dues have not been regularly deposited with the appropriate authorities and there have been serious delays in large number of cases.
- (b) According to the information and explanations given to us, undisputed dues in respect of provident fund, employees' state insurance, income-tax, goods and service tax, cess and other statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable.

Statutory dues which were outstanding, as at March 31, 2020 for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of the dues	TDS Liability (Amount in Rs)	Interest Liability on TDS (Amount in Rs)	Period to which the amount relates	Date of Payment	Remarks, if any
Income Tax Act, 1961	Tax Deductible at Source under Sec 194I	1,73,963	25,041	Financial Year 19-20	Not paid	TDS has been Outstanding from April-19 to March-20
	Tax Deductible at Source under Sec 194C	36,178	5,136	Financial Year 19-20	Not paid	
	Tax Deductible at Source under Sec 192B	8,25,600	65,332	Financial Year 19-20	Not paid	
	Tax Deductible at Source under Sec 194J	4,45,413	1,17,513	Financial Year 19-20	Not paid	

- (c) According to the information and explanation given to us and the records of the Company examined by us, there are no dues of income tax, goods and service tax, customs duty, cess and any other statutory dues which have not been deposited on account of any dispute.
- viii. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions stated in paragraph 3 (ix) of the Order are not applicable to the Company.
- x. During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) of the Order are 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 sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made preferential allotment of shares during the year by converting share warrants worth Rs.50,00,000 and allotting 10,00,000 equity shares having face value and securities premium of Rs.10 each and the requirements of Section 42 of the Act have been complied with. The amount raised has been used for the purposes for which they were raised.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.
- xvi. In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3 (xvi) of the Order are not applicable to the Company.

For MSKA & Associates  
Chartered Accountants  
ICAI Firm Registration No. 105047W

Ananthakrishnan Govindan  
Partner  
Membership No. 205226  
UDIN: 20205226AAAAGA4798

Place: Hyderabad  
Date: July 29,2020

**ANNEXURE C****TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF DR HABEEBULLAH LIFE SCIENCES LIMITED**

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

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

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

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

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control 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 (ICAI) (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 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 internal financial controls with reference to standalone financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about 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 internal financial controls with reference to standalone financial statements, 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 control 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 control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

**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 control 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.

**Opinion**

In our opinion, the Company has, in all material respects, internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For MSKA & Associates  
Chartered Accountants  
ICAI Firm Registration No. 105047W

Ananthakrishnan Govindan  
Partner  
Membership No. 205226  
UDIN: 20205226AAAAGA4798

Place: Hyderabad  
Date: July 29, 2020

## BALANCE SHEET AS AT 31st MARCH 2020

( Amount in Rs.)

	PARTICULARS	Note No.	As at March 31, 2020	As at March 31, 2019
<b>I</b>	<b>ASSETS:</b>			
(1)	<b>Non-current assets</b>			
	(a) Property, Plant and Equipment	2	2,74,474	3,82,848
	(b) Intangible Assets under development	3	3,03,22,522	2,14,55,475
	(c) Financial assets			
	(i) Investments	4	4,87,06,060	4,87,06,060
	(ii) Other Financial Assets	5	2,04,27,662	2,02,54,214
(2)	<b>Current assets</b>			
	(a) Inventories	6	13,11,401	15,92,177
	(b) Financial assets			
	(i) Trade receivables	7	2,17,51,432	2,21,23,006
	(ii) Cash and cash equivalents	8	2,35,061	1,49,880
	(iii) Loans and advances	9	1,34,00,000	1,34,00,000
	(iv) Other financial assets	10	24,10,319	9,86,676
	(c) Other current assets	11	3,04,31,328	2,32,41,611
	<b>TOTAL ASSETS</b>		<b>16,92,70,259</b>	<b>15,22,91,947</b>
<b>II</b>	<b>EQUITY AND LIABILITIES:</b>			
	<b>Equity</b>			
	(a) Equity Share Capital	12	14,80,87,060	13,80,87,060
	(b) Other Equity			
	(i) Share Warrants	13(a)	-	50,00,000
	(ii) Reserves and Surplus	13(b)	(2,37,94,493)	(1,50,77,750)
	<b>Liabilities</b>			
(1)	<b>Non Current Liabilities</b>			
	(a) Provisions	14	14,49,744	12,57,446
(2)	<b>Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	15	1,79,15,000	1,32,40,000
	(ii) Trade Payables	16	30,49,904	23,99,213
	(b) Other current liabilities	17	2,23,20,004	73,09,504
	(c) Provisions	18	2,43,040	76,474
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>16,92,70,259</b>	<b>15,22,91,947</b>
	<b>Significant accounting policies and notes to accounts</b>	1 to 30		

As per our report of even date  
for MSKA & Associates  
Chartered Accountants  
Firm Registration No: 105047W

(Ananthakrishnan Govindan)  
Partner  
Membership No. 205226

Place: Hyderabad  
Date : 29-07-2020

for and on behalf of the Board  
for DR HABEEBULLAH LIFE SCIENCES LIMITED

Sd/-  
(K.Krishnam Raju)  
Whole-time Director & Chairman  
DIN: 00874650

Sd/-  
(K. N.V.Narendra Kumar)  
Chief Financial Officer

Sd/-  
(Dr. Ameer Basha Paspala)  
Director  
DIN: 07585133

Sd/-  
(Neha Kankariya)  
Company Secretary

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2020

( Amount in Rs.)

	PARTICULARS	Note No.	Year Ended March 31, 2020	Year Ended March 31, 2019
I	Revenue from operations	19	1,43,18,627	2,01,44,734
II	Other Income	20	15,81,825	11,04,569
III	<b>Total Income (I+II)</b>		<b>1,59,00,452</b>	<b>2,12,49,303</b>
IV	<b>Expenses:</b>			
	Cost of raw material and components consumed	21	22,48,894	22,99,679
	Employee Benefits Expenses	22	1,25,95,765	1,36,00,090
	Depreciation and amortization expenses	2	1,08,374	94,493
	Other expenses	23	1,98,49,020	2,66,73,691
	<b>Total Expenses</b>		<b>3,48,02,053</b>	<b>4,26,67,953</b>
V	Profit before tax (III-IV)		(1,89,01,601)	(2,14,18,650)
VI	Tax Expenses			
	- Current tax		-	-
	- Deferred tax		-	-
VII	Profit for the period (V-VI)		<b>(1,89,01,601)</b>	<b>(2,14,18,650)</b>
VIII	Other Comprehensive Income (OCI)			
	i) Items that will not be reclassified to profit & loss		1,84,859	63,425
	ii) Income tax relating to items that will not be reclassified to profit & loss		-	-
	Other comprehensive income for the year (net of tax)		<b>1,84,859</b>	<b>63,425</b>
IX	Total Comprehensive Income (VII+VIII)		<b>(1,87,16,742)</b>	<b>(2,13,55,225)</b>
X	Earnings per equity share: (Equity shares of par value of Rs.10/- each)			
	- Basic	27	(1.28)	(1.75)
	- Diluted	27	(1.28)	(1.62)
	<b>Significant accounting policies and notes to accounts</b>	1 to 30		

As per our report of even date  
for MSKA & Associates  
Chartered Accountants  
Firm Registration No: 105047W

(Ananthkrishnan Govindan)  
Partner  
Membership No. 205226

Place: Hyderabad  
Date : 29-07-2020

for and on behalf of the Board  
for DR HABEEBULLAH LIFE SCIENCES LIMITED

Sd/-  
(K.Krishnam Raju)  
Whole-time Director & Chairman  
DIN: 00874650

Sd/-  
(K. N.V.Narendra Kumar)  
Chief Financial Officer

Sd/-  
(Dr. Ameer Basha Paspala)  
Director  
DIN: 07585133

Sd/-  
(Neha Kankariya)  
Company Secretary



## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH, 2020

(Amount in Rs.)

PARTICULARS	Year ended 31-03-2020 Amount in Rs.	Year ended 31-03-2019 Amount in Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net profit before tax	(1,87,16,742)	(2,13,55,225)
<b>Adjustment for:</b>		
Depreciation and Amortisation	1,08,374	94,493
Interest Expenses	-	-
Interest Earned	-	-
Cash Flows from Operations before changes in assets and liabilities	(1,86,08,368)	(2,12,60,732)
<b>Movements in Working Capital::</b>		
(Increase)/ Decrease in trade receivables	3,71,574	66,17,080
(Increase)/ Decrease in Short Term Loans and Advances	-	(64,00,000)
(Increase)/ Decrease in other Current Assets	(71,89,718)	(1,85,81,288)
(Increase)/ Decrease in other other financial Assets	(14,23,643)	(9,86,676)
(Increase)/ Decrease in Inventories	2,80,777	(6,40,168)
Increase /(Decrease) in Trade Payables	6,50,690	17,78,462
Increase/ (Decrease) in Other current liabilities	1,50,10,500	48,98,983
Increase/ (Decrease) in Current Provisions	1,66,566	43,813
<b>Change in Working Capital</b>	<b>78,66,746</b>	<b>(1,32,69,794)</b>
<b>Changes in non current assets and liabilities</b>		
Decrease/(Increase) in loans & advances	(1,73,448)	(7,29,214)
(Decrease)/Increase in Long Term Borrowings	-	-
(Decrease)/Increase in Long Term Provisions	1,92,298	6,64,833
<b>Changes in non current assets and liabilities</b>	<b>18,850</b>	<b>(64,381)</b>
<b>Cash Generated From Operations</b>	<b>(1,07,22,772)</b>	<b>(3,45,94,907)</b>
Less: Taxes paid	-	-
<b>Net Cash from operating activities(A)</b>	<b>(1,07,22,772)</b>	<b>(3,45,94,907)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
(Increase) / Decrease in Fixed assets and Capital Work In progress	(88,67,047)	(1,25,68,450)
Bank Balances not considered as Cash and Cash equivalents	-	-
Investment in equity Shares	-	-
<b>Net cash used in Investing activities (B)</b>	<b>(88,67,047)</b>	<b>(1,25,68,450)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase / (Decrease) in Share Capital	1,50,00,000	3,07,50,000
Increase / (Decrease) in Borrowings	46,75,000	1,32,40,000
Interest paid	-	-
<b>Net cash Flow from Financing Activities ( C )</b>	<b>1,96,75,000</b>	<b>4,39,90,000</b>
<b>Net Increase/(Decrease) in cash &amp; cash equivalents [A+B+C]</b>	<b>85,181</b>	<b>(31,73,357)</b>
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,49,880	33,23,237
CASH & CASH EQUIVALENTS AT THE END OF THE YEAR	<b>2,35,061</b>	<b>1,49,880</b>

As per our report of even date  
for MSKA & Associates  
Chartered Accountants  
Firm Registration No: 105047W

(Ananthkrishnan Govindan)  
Partner  
Membership No. 205226

Place: Hyderabad  
Date : 29-07-2020

for and on behalf of the Board  
for DR HABEEBULLAH LIFE SCIENCES LIMITED

Sd/-  
(K.Krishnam Raju)  
Whole-time Director & Chairman  
DIN: 00874650

Sd/-  
(K. N.V.Narendra Kumar)  
Chief Financial Officer

Sd/-  
(Dr. Ameer Basha Paspala)  
Director  
DIN: 07585133

Sd/-  
(Neha Kankariya)  
Company Secretary

## Statement of Changes in Equity For the year ended 31 March 2020

## a. Equity share capital

(Amount in Rs.)

	Amount
Balance as at the 31 March 2018	11,75,87,060
Changes in equity share capital during 2018-19	2,05,00,000
Balance as at the 31 March 2019	13,80,87,060
Changes in equity share capital during 2019-20	1,00,00,000
Balance as at the 31 March 2020	14,80,87,060

## b. Other equity

(Amount in Rs.)

	Share Warrants	Reserves and surplus		Items of Other comprehensive income (OCI)	Total
		Securities Premium Reserve	Retained earnings	Others	
Balance at 31 March 2018	1,52,50,000	1,50,00,000	(2,92,22,526)	-	10,27,474
Total comprehensive income for the year ended 31 March 2019					
Profit or loss		-	(2,14,18,650)	-	(2,14,18,650)
Other comprehensive income(net of tax)		-	-	63,425	63,425
Total comprehensive income		-	(2,14,18,650)	63,425	(2,13,55,225)
Transactions with owners in their capacity as owners	50,00,000	2,05,00,000	-	-	2,55,00,000
Balance at 31 March 2019	50,00,000	3,55,00,000	(5,06,41,175)	63,425	(1,00,77,750)
Total comprehensive income for the year ended 31 March 2020					
Profit or loss		-	(1,89,01,601)	-	(1,89,01,601)
Other comprehensive income(net of tax)		-	-	1,84,859	1,84,859
Total comprehensive income		-	(1,89,01,601)	1,84,859	(1,87,16,742)
Transactions with owners in their capacity as owners	-	1,00,00,000	-	-	1,00,00,000
Balance at 31 March 2020	-	4,55,00,000	(6,95,42,777)	2,48,284.00	(2,37,94,493)

As per our report of even date  
for MSKA & Associates  
Chartered Accountants  
Firm Registration No: 105047W

(Ananthkrishnan Govindan)  
Partner  
Membership No. 205226

Place: Hyderabad  
Date : 29-07-2020

for and on behalf of the Board  
for DR HABEEBULLAH LIFE SCIENCES LIMITED

Sd/-  
(K.Krishnam Raju)  
Whole-time Director & Chairman  
DIN: 00874650

Sd/-  
(K. N.V.Narendra Kumar)  
Chief Financial Officer

Sd/-  
(Dr. Ameer Basha Paspala)  
Director  
DIN: 07585133

Sd/-  
(Neha Kankariya)  
Company Secretary

## 1. Significant Accounting Policies & Notes annexed to and forming part of the financial Statements

### 1.1. Basis for preparation of financial statements:

#### a) Compliance with Indian Accounting Standards (Ind AS)

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act, 2013.

The same accounting policies have been applied for all the periods presented except when the company has made use of certain exceptions.

The financial statements have been prepared on the historical cost basis except for certain instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the schedule III of the Act. The Company has determined its operating cycle as twelve months for the purpose of current-noncurrent classification of assets and liabilities.

The financial statements are presented in Indian Rupees which is also its functional currency. All amounts have been rounded – off to the nearest rupees, unless otherwise indicated.

#### b) Use of estimates and judgment

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of certain assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

### 1.2. Property, Plant and Equipment & Depreciation

Items of Property, Plant and Equipment are stated at cost less accumulated depreciation.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of

the cash inflows from other assets or groups of assets (cash-generating units).

Depreciation on the fixed assets has been provided based on useful lives as prescribed under part C of the schedule II of the companies act, 2013.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed of).

### 1.3 Impairment of non-financial assets

The Company's non-financial assets, other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

### 1.4 Intangible assets

Intangible assets are amortized over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as change in accounting estimates. The amortization expense on intangible assets with finite useful lives is recognized in profit or loss.

### 1.5 Inventory

Cost of inventories have been computed to include all costs of purchases (including materials), cost of conversion and other costs incurred, as the case may be, in bringing the inventories to their present location and condition.

Stores and consumables are valued at cost arrived at on FIFO basis or net realisable value, whichever is lower.

### 1.6 Foreign currencies transactions and translations

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

The gain or loss on decrease/increase in reporting currency due to fluctuations in foreign exchange rates, in case of monetary current assets and liabilities in foreign currency, are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction.

## 1.7 Provisions

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

## 1.8 Revenue Recognition

The Company primarily earns revenue by providing Health care services (Diagnostic & Outpatient Services).

Revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met as described below.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of indirect taxes, trade allowances, rebates and amounts collected on behalf of third parties and is not recognised in instances where there is uncertainty with regard to ultimate collection. In such cases revenue is recognised on reasonable certainty of collection.

### Interest Income

Interest income from a financial asset is recognised using effective interest rate method. However, in respect of certain financial assets where it is not probable that the economic benefits associated with the transaction will flow to the entity and amount of revenue cannot be measured reliably, in such cases interest income is not recognised.

## 1.9 Dividend Income

Dividends will be recognised when the company's right to receive has been established.

## 1.10 Employee benefits

### 1.10.1 Short term employee benefits

The undiscounted amount of short-term employee benefits is expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

### 1.10.2 Defined benefit plans

#### a) Gratuity

In accordance with the Payment of Gratuity Act, 1972, Company provides for gratuity, a defined retirement plan (the "Gratuity Plan") covering the eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee salary and the tenure of employment. Liability with regard to the Gratuity Plan are determined by actuarial valuation as per the requirements of IndAS 19 as of the balance sheet date, based upon which, the Company contributes the ascertained liabilities to Insurer.

#### b) Provident fund

Eligible employees receive benefits from a provident fund, which is a defined contribution plan. Aggregate contributions along with interest thereon is paid at retirement, death, incapacitation or termination of employment. Both the employee and the Company make monthly contributions to the Regional Provident Fund Commissioner equal to a specified percentage of the covered employee's salary.

#### c) Employee State Insurance Fund

Eligible employees are entitled to receive benefit under employee state insurance fund scheme. The

employer makes contribution to the scheme at a predetermined rate of employee's gross salary. The Company has no further obligations under the plan beyond its monthly contributions. These contributions are made to the fund administered and managed by the Government of India. contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

#### **d) Leave encashment**

All the employees who have completed their eligible service in the Company are eligible for leave encashment as per policy of the Company and the same is paid to the eligible employee at retirement, death, incapacitation or termination of employment. This amount, as calculated for all the eligible employees, is charged to the Statement of Profit and Loss.

### **1.11 Tax Expenses**

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

#### **Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are off set only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

#### **Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

#### **Minimum alternate tax (MAT)**

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

### **1.12 Leases**

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

As per IndAS 116, Variable lease payments that do not depend on an index or rate and are not in substance or fixed, such as those based on performance (i.e. percentage of sales) are not included as lease payments and these payments are recognized in the statement of profit or loss in the period in which the event that triggers the payment occurrence.

Hence, the company did not recognize any ROU as the lease agreement does not contain fixed Minimum Lease payments.

### 1.13 Borrowing costs

Borrowing costs incurred for obtaining assets which takes substantial period to get ready for their intended use are capitalized to the respective assets wherever the costs are directly attributable to such assets and in other cases by applying weighted average cost of borrowings to the expenditure on such assets. Other borrowing costs are treated as expense for the year.

Transaction costs in respect of long-term borrowings are amortized over the tenor of respective loans using effective interest method.

### 1.14 Earnings per equity share

#### (i) Basic earnings per share

Basic earnings per share is calculated by dividing:

The profit attributable to owner of the company.

By the weighted number of equity shares outstanding during the financial year

#### (ii) Diluted earnings per share

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

### 1.15 Financial Instruments

#### i. Financial assets

##### A. Initial recognition and measurement

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

##### a) Financial assets carried at amortized cost (AC)

A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### b) Financial assets at fair value through profit or loss (FVTPL)

A Financial asset which is not classified as AC or FVOCI are measured at FVTPL e.g. investments in mutual funds. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the Statement of Profit and Loss within other gains/(losses) in the period in which it arises.

**c) Financial assets at fair value through other comprehensive income (FVTOCI)**

A financial asset is measured at FVTOCI if it is held within a business model whose Objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**B. Investments in subsidiaries**

The Company has accounted for its investments in subsidiaries at cost and not adjusted to fair value at the end of each reporting period. Cost represents amount paid for acquisition of the said investments.

**ii. Financial Liabilities****A. Initial recognition**

All financial liabilities are recognized at fair value.

**B. Subsequent measurement**

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**NOTE NO. 2: PROPERTY, PLANT AND EQUIPMENT:****(Amount in Rs.)**

	Computers	Furniture and Fixtures	Lab Equipments	Office Equipment	Total
<b>Gross Carrying Balance at 31 March 2018</b>	<b>74,576</b>	<b>-</b>	<b>19,800</b>	<b>1,26,650</b>	<b>2,21,026</b>
Additions	90,017	-	1,15,640	73,179	2,78,836
Disposals	-	-	-	-	-
<b>Balance at 31 March 2019</b>	<b>1,64,593</b>	<b>-</b>	<b>1,35,440</b>	<b>1,99,829</b>	<b>4,99,862</b>
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
<b>Balance at 31 March 2020</b>	<b>1,64,593</b>	<b>-</b>	<b>1,35,440</b>	<b>1,99,829</b>	<b>4,99,862</b>
<b>Accumulated depreciation at 31 March 2018</b>	<b>5,682</b>	<b>-</b>	<b>152</b>	<b>16,687</b>	<b>22,521</b>
Depreciation for the year	52,439	-	4,261	37,793	94,493
<b>Balance at 31 March 2019</b>	<b>58,121</b>	<b>-</b>	<b>4,413</b>	<b>54,480</b>	<b>1,17,014</b>
Depreciation for the year	54,864	-	13,544	39,966	1,08,374
<b>Balance at 31 March 2020</b>	<b>1,12,985</b>	<b>-</b>	<b>17,957</b>	<b>94,446</b>	<b>2,25,388</b>
<b>Carrying amounts(net)</b>					
<b>At 31 March 2018</b>	<b>68,894</b>	<b>-</b>	<b>19,648</b>	<b>1,09,963</b>	<b>1,98,505</b>
<b>At 31 March 2019</b>	<b>1,06,472</b>	<b>-</b>	<b>1,31,027</b>	<b>1,45,349</b>	<b>3,82,848</b>
<b>At 31 March 2020</b>	<b>51,608</b>	<b>-</b>	<b>1,17,483</b>	<b>1,05,383</b>	<b>2,74,474</b>



## Notes to accounts

## NOTE NO: 3 INTANGIBLE ASSETS UNDER DEVELOPMENT

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
<b>Intangible Assets</b>		
Intangible Assets Under Development	3,03,22,522	2,14,55,475
	<b>3,03,22,522</b>	<b>2,14,55,475</b>

## NOTE NO: 4 NON CURRENT INVESTMENTS:

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
Investment In Subsidiary Company carried at Cost		
Krisani Bio Sciences Private Limited (58,68,200 equity shares of Rs. 10 each subscribed at Rs. 8.3 per share)	4,87,06,060	4,87,06,060
	<b>4,87,06,060</b>	<b>4,87,06,060</b>

## NOTE NO: 5 OTHER NON-CURRENT FINANCIAL ASSETS

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
Security Deposits	2,04,27,662	2,02,54,214
	<b>2,04,27,662</b>	<b>2,02,54,214</b>

## NOTE NO: 6 INVENTORIES

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
Stores and consumables	13,11,401	15,92,177
	<b>13,11,401</b>	<b>15,92,177</b>

**NOTE NO: 7 TRADE RECEIVABLES**

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
(a) Outstanding for a period exceeding six months from the date they are due for payment Unsecured, considered good	2,12,45,881	2,09,99,587
(b) Outstanding for a period not exceeding six months Unsecured, considered good	5,05,551	11,23,419
	<b>2,17,51,432</b>	<b>2,21,23,006</b>

**NOTE NO: 8 CASH AND CASH EQUIVALENTS:**

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
(a) Balance with banks	1,74,186	1,07,485
(b) Cash on Hand	60,875	42,395
	<b>2,35,061</b>	<b>1,49,880</b>

**NOTE NO: 9 LOANS & ADVANCES**

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
(a) Inter Corporate Loan given to group company M/s Innovision Life Sciences Private Limited	94,00,000	94,00,000
(b) Advane give to Subsidiaries	40,00,000	40,00,000
	<b>1,34,00,000</b>	<b>1,34,00,000</b>

**NOTE NO: 10 OTHER FINANCIAL ASSETS**

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
Interest receivable On Inter Corporate Loan given to M/s Innovision Life Sciences Pvt. Ltd	24,10,319	9,86,676
	<b>24,10,319</b>	<b>9,86,676</b>

**NOTE NO: 11 OTHER CURRENT ASSETS:**

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
(a) GST Receivable	31,866	23,459
(b) MAT Credit Entitlement	2,06,409	2,06,409
(c) Advance Tax & TDS	1,78,513	1,59,561
(d) Supplier advances	3,00,14,540	2,28,52,181
	<b>3,04,31,328</b>	<b>2,32,41,611</b>

**NOTE NO: 12: EQUITY SHARE CAPITAL**

PARTICULARS	As At March 31, 2020		As At March 31, 2019	
	Number	Amount in Rs.	Number	Amount in Rs.
<b>Authorised</b> Equity Shares of Rs. 10/- each	1,60,00,000	16,00,00,000	1,60,00,000	16,00,00,000
<b>Issued, Subscribed and Paid up</b> Equity Shares of Rs. 10/- each fully paid up (Refer foot note (a) to ( c ) below)	1,48,08,706	14,80,87,060	1,38,08,706	13,80,87,060
<b>Total</b>	<b>1,48,08,706</b>	<b>14,80,87,060</b>	<b>1,38,08,706</b>	<b>13,80,87,060</b>

**Foot note:****(a) Reconciliation of the number of shares outstanding as at March 31, 2020 and March 31, 2019 :**

PARTICULARS	As At March 31, 2020		As At March 31, 2019	
	Number	Amount in Rs.	Number	Amount in Rs.
Equity Shares outstanding at the beginning of the year	1,38,08,706	13,80,87,060	1,17,58,706	11,75,87,060
Equity Shares Issued during the year for Cash*	10,00,000	1,00,00,000	20,50,000	2,05,00,000
Equity Shares Issued during the year for other than cash	-	-	-	-
Equity Shares bought back during year	-	-	-	-
Equity Shares outstanding at the end of the year	1,48,08,706	14,80,87,060	1,38,08,706	13,80,87,060

\*1000000 shares warrants of Rs. 10 each allotted as fully paid upon receipt of the balance payment of Rs. 15/- per share. These Share warrants were issued at a premium of Rs. 10 and 25% of the total value (Face value Rs. 10 and premium Rs.10) were received in the FY 2019-20.

**(b) Details of Shareholders holding more than 5 % shares:**

PARTICULARS	As At March 31, 2020		As At March 31, 2019	
	No. of Shares	% of Holding	No. of Shares	% of Holding
1 K. Krishnam Raju	28,99,630	19.58%	28,99,630	21.00%
2 Mohammed Aejaz Habeeb	17,79,124	12.01%	12,79,124	9.26%
3 Syed Ameer Basha Paspala	16,61,800	11.22%	11,61,800	8.41%
4 K. Sarada Vijaya Kumari	8,65,690	5.85%	8,65,690	6.27%
5 K. Nirusha	10,29,200	6.95%	10,29,200	7.45%
6 P. Parvathi	3,93,586	2.66%	3,93,586	2.85%
7 Arun Kumar Bhangadia (Public)	7,73,728	5.22%	7,75,381	5.62%
8 M. Neela Reddy (Public)	6,93,000	4.68%	6,93,000	5.02%

**(c) Terms and rights attached to the equity shares:**

The Company has only one class of equity shares having par value of Rs.10/- each. Each holder of equity shares is entitled for one vote per share. Distribution of dividends and repayment of capital, if any, by the company, shall be subject to the provisions of applicable laws.

## NOTE NO: 13(a) SHARE WARRANTS

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
Convertible Equity Share Warrants	-	50,00,000
	-	<b>50,00,000</b>

## NOTE NO: 13(b) RESERVES AND SURPLUS

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
<b>(a) Securities Premium:</b>	4,55,00,000	<b>3,55,00,000</b>
<b>(b) Retained earnings:</b>		
Opening balance	(5,06,41,175)	(2,92,22,526)
(+) Net profit during the year	(1,89,01,601)	(2,14,18,650)
Closing balance	<b>(6,95,42,777)</b>	<b>(5,06,41,175)</b>
<b>(c) Other Comprehensive income:</b>		
Opening balance	63,425	-
(+) During the year	1,84,859	63,425
Closing balance	<b>2,48,284</b>	<b>63,425</b>
<b>Total (a+b+c)</b>	<b>(2,37,94,493)</b>	<b>(1,50,77,750)</b>

## NOTE NO: 14 LONG TERM PROVISIONS

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
Provision for employee Gratuity	9,13,733	6,97,208
Provision for Leave Encashment	5,36,011	5,60,238
	<b>14,49,744</b>	<b>12,57,446</b>

**NOTE NO: 15 SHORT TERM BARROWINGS**

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
Un Secured Loans from Unsecured Loans (from promoters) (The above loans are interest free loans and repayable on demand)	1,79,15,000	1,32,40,000
	<b>1,79,15,000</b>	<b>1,32,40,000</b>

**NOTE NO: 16 TRADE PAYABLES**

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
Dues to Micro, Small and Medium Enterprises	-	-
Dues to Others	30,49,904	23,99,213
	<b>30,49,904</b>	<b>23,99,213</b>

**NOTE NO: 17 OTHER CURRENT LIABILITIES:**

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
(a) Statutory Liabilities	30,80,127	3,62,241
(b) Expenses Payable	75,06,777	42,32,603
(c) Employee Benefits Payable	1,17,33,100	27,14,660
	<b>2,23,20,004</b>	<b>73,09,504</b>

**NOTE NO: 18 Short term Provisions**

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
Provision for Gratuity Payable	2,43,040	76,474
Provision for Leave Encashment	-	-
	<b>2,43,040</b>	<b>76,474</b>

## NOTE NO: 19 REVENUE FROM OPERATIONS

PARTICULARS	Year ended March 31, 2020	Year ended March 31, 2019
	Amount in Rs.	Amount in Rs.
<b>Revenue from Operations</b>		
Diagnostic Services	1,26,03,967	1,75,43,724
OP Services	17,14,660	25,90,010
Sales - Product	-	11,000
	<b>1,43,18,627</b>	<b>2,01,44,734</b>

## NOTE NO: 20 OTHER INCOME

PARTICULARS	Year ended March 31, 2020	Year ended March 31, 2019
	Amount in Rs.	Amount in Rs.
<b>Non Operating Income</b>		
Finance Income on		
Interest on ICD	15,81,825	10,96,307
Others	-	8,262
	<b>15,81,825</b>	<b>11,04,569</b>

## NOTE NO: 21 MATERIAL AND COMPONENTS CONSUMED

PARTICULARS	Year ended March 31, 2020	Year ended March 31, 2019
	Amount in Rs.	Amount in Rs.
Inventory at the beginning of the year	15,92,177	9,52,009
Add: Purchases	19,68,118	29,39,847
Less: inventory at the end of the year	13,11,401	15,92,177
Cost of raw material and components consumed	<b>22,48,894</b>	<b>22,99,679</b>

## NOTE NO: 22 EMPLOYEE BENEFITS EXPENSES

PARTICULARS	Year ended March 31, 2020	Year ended March 31, 2019
	Amount in Rs.	Amount in Rs.
Salaries & Wages	1,14,49,479	1,20,62,922
Contribution to provident and other funds	3,94,612	4,73,780
Gratuity and Leave Encashment	5,43,723	7,72,071
EPF Admin Charges	24,078	26,328
Staff welfare expenses	1,83,873	2,64,989
<b>Total</b>	<b>1,25,95,765</b>	<b>1,36,00,090</b>

## NOTE NO: 23 OTHER EXPENSES

PARTICULARS	Year ended March 31, 2020	Year ended March 31, 2019
	Amount in Rs.	Amount in Rs.
Rent	39,61,511	58,59,845
Rates and Taxes	3,44,876	1,26,910
Professional & Consultancy Fee	65,96,458	99,54,031
Audit Fees (refer Note below)	2,36,000	2,36,000
Office Maintenance	1,50,945	3,20,905
Printing & Stationery	2,85,762	4,16,629
Communication Expenses	97,836	1,33,125
Travelling & Conveyance	6,74,246	9,12,761
Power & Fuel Expenses	31,48,775	36,88,731
Repairs & Maintenance	2,08,843	1,52,387
Postage & Courier	10,030	20,458
Bank Charges	52,808	52,929
Advertisement & Business Promotion Expenses	2,40,822	2,29,123
Diagnostic outsourcing expenses	8,74,088	4,38,116
Listing Processing & Annual Listing Fees	6,25,400	4,51,780
Registrar & Transfer Fees	85,609	1,15,311
HK, Security and Hospital Maintenance	18,21,058	20,12,137
Lab Maintenance Expenses	65,790	1,17,814
Discount Expenses	-	6,096
Directors Sitting Fees	2,85,000	2,85,000
Books & Periodicals	-	-
Fines & Penalties	-	-
Unrealisable Current Assets	-	61,512
GST Input reversal	-	10,82,092
Other Expenses	83,165	-
<b>Total</b>	<b>1,98,49,020</b>	<b>2,66,73,691</b>

**Note: Payment to Auditors :**

As Auditors	<b>2019-20</b>	<b>2018-19</b>
Statutory Audit Fees	2,00,000	2,00,000

\* Statutory Audit fees is exclusive of GST



**Note No. 27: Earnings Per Share (EPS)**

	As at 31.03.2020	As at 31.03.2019
<b>EPS – Basic</b>		
Net Profit (Loss)	(1,87,16,742)	(2,13,55,225)
Appropriations	-	-
Net Profit (Loss) Attributable to Share Holders as at 31st March (Numerator)	(1,87,16,742)	(2,13,55,225)
No of Shares outstanding at the beginning of the year	1,38,08,706	1,17,58,706
No of Shares outstanding at the end of the year	1,48,08,706	1,38,08,706
Adjusted Weighted average number of equity shares of Face Value Rs.10 each (Denominator)	1,46,03,788	1,21,73,227
Nominal Value of Ordinary Shares	10	10
<b>Computation of EPS - Basic (in Rs)</b>	<b>(1.28)</b>	<b>(1.75)</b>
<b>EPS – Diluted</b>		
Net Profit (Loss) Attributable to Share Holders as at 31st March of Face Value Rs.10 each (Numerator)	(1,87,16,742)	(2,13,55,225)
Adjusted Weighted average number of equity shares	1,46,03,788	1,21,73,227
Weighted average number of equity shares that would be issued on conversion of all Shae Warrants into Equity shares	-	10,00,000
Total Weighted average number of equity shares for Diluted EPS (Denominator)	1,46,03,788	1,31,73,227
Nominal Value of Ordinary Shares	10.00	10.00
<b>Computation of EPS - Diluted (in Rs)</b>	<b>(1.28)</b>	<b>(1.62)</b>

Particulars	3/31/2020	3/31/2019
Op balance	1,38,08,706	1,17,58,706
No of shares allotted	10,00,000	4,55,000
Date of allotment	6/14/2019	5/20/2018
No of Days outstanding	291	315
Therefore weighted no. of Shares	7,95,082	3,92,671
No of shares allotted	-	15,95,000
Date of allotment	-	3/26/2019
No of Days outstanding	-	5
Therefore weighted no. of Shares	-	21,849
<b>Total No of Weighted equity Shares</b>	<b>1,46,03,788</b>	<b>1,21,73,227</b>

Particulars	3/31/2020	3/31/2019
Balance of Share Warrants Money	-	50,00,000
Full Amount of Share Warrants	-	2,00,00,000
No. of Equity Share to be Issued for warrants	-	1000000

**24. Related Party Disclosures**

As per Ind AS 24 the disclosure of transactions with the related parties are given below.

**a) Related Parties and nature of relationship:**

Mr.K. Krishnam Raju	Promoter & Whole-time Director & Chairman
Dr. Mohammed Aejaz Habeeb	Promoter & Non - Executive Director
Dr. Syed Ameer Basaha Paspala	Promoter & Non - Executive Director
Dr. Akka Jyothy	Independent Non - Executive Director
Dr.T.V. Rama Krishna Murthy	Independent Non - Executive Director
Mr. Surya Prakasa Rao Bommiseti	Independent Non – Executive Director
Ms. Pooja Jain	Company Secretary & Compliance Officer (Resigned on 13th August 2019)
Ms. Neha Kankariya	Company Secretary & Compliance Officer (Appointed Wef 01st February 2020)
Mrs. K. Nirusha	Chief Financial Officer & Promoter Group (Resigned Wef 14th February 2020)
K. Ramayana Yadav	Company Secretary & Compliance Officer (Appointed on 28th August 2019 & Resigned on 18th December 2019)
Mr. Nagavenkata Narendra Kumar Konagalla	Chief Financial Officer (KMP) (Appointed Wef 14th February 2020)
Krisani Bio Sciences Pvt.Ltd	Subsidiary of Dr Habeebullah Life Sciences Ltd
Mrs. K. Sarada Vijaya Kumari	Promoter Group

**The Promoters of DRHLSL are major Promoters and/or Shareholders / Partners of the below entities –**

1. Innovision Life Sciences Pvt.Ltd – Company
2. Centre For Liver Research and Diagnostics – Partnership Firm

**b) Transactions with Related parties:**

Name of the related party	Nature of Transaction	Year ended 31-03-2020 (Rupees)	Year ended 31-03-2019 (Rupees)
K. Krishnam Raju	Remuneration	36,00,000	36,00,000
	Rent expenses	50,000	3,00,000
	Demand Loan taken	1,00,05,000	163,40,000
	Demand Loan Repaid	53,30,000	3 1,00,000
K.S.V.Kumari	Rent expenses	1,40,000	4,80,000
Dr. Mohammed Aejaz Habeeb	Professional Fee	3,78,509	15,79,961
Dr. Syed Ameer Basha Paspala	Professional Fee	26,19,433	27,84,434
Ms. Pooja Jain	Remuneration	95,967	3,50,000
Mrs. K.Nirusha	Remuneration	7,86,207	9,00,000
K.N.V.Narendra Kumar	Remuneration	8,40,000	-
Ms.Neha Kankariya	Remuneration	60,000	-
Mrs.K.Ramyanka Yadav	Remuneration	1,35,040	-
CLRD Lease Rental Expenses	Rent expenses	33,79,196	45,03,845
Innovision Life Sciences Pvt. Ltd	Inter-Corporate Loan (given during the year)	-	24,00,000
Innovision Life Sciences Pvt. Ltd	Interest Income	15,81,825	10,96,307
Krisani Bio Sciences Pvt. Ltd	Advance	-	-
Centre for Liver Research and Diagnostics	Lease Deposit (paid during the year)	-	5,00,000
Centre for Liver Research and Diagnostics	Advance	70,00,000	240,25,000

**c) Related parties outstanding balances:**

Name of the related party	Particulars	As at 31-03-2020 (Rupees)	As at 31-03-2019 (Rupees)
K. Krishnam Raju	Rent payable	3,37,500	2,92,500
	Remuneration payable	29,25,800	2,36,800
	Demand Loan taken	1,79,15,000	1,32,40,000
	Travelling Expenses Payable	16,570	16,570
K.S.V.Kumari	Rent payable	5,94,000	4,68,000
Dr.Mohammed Aejaz Habeeb	Professional Fee Payable	3,25,337	4,88,229
Dr.Syed Ameer Basha Paspala	Professional Fee Payable	39,27,724	15,70,234
Centre for Liver Research and Diagnostics	Advance (Asset)	2,98,22,681	2,28,22,681
Krisani Bio Sciences Pvt. Ltd	Advance (Asset)	40,00,000	40,00,000
Innovision Life Sciences Pvt. Ltd	Inter-Corporate Loan	94,00,000	94,00,000
Innovision Life Sciences Pvt. Ltd	Interest Receivable on Inter-Corporate Loan	24,10,319	9,86,676
K.N.V.Narendra Kumar	Remuneration payable	6,69,880	-

**25. Auditors remuneration:**

PARTICULARS	2019-20 (Rupees)	2018-19 (Rupees)
Audit Fee (Exclusive of GST)	2,00,000	2,00,000
<b>Total</b>	<b>2,00,000</b>	<b>2,00,000</b>

26. The Board of Directors assesses the financial performance of the Company and make strategic decisions and has been identified as being the Chief Operating Decision Maker (CODM). Based on the internal reporting provided to the CODM, the Company has only one reportable segment i.e. 'healthcare services which includes hospital, diagnostics, Pharma and Biotechnology (R&D)' and hence no separate disclosures are required under IndAS 108.

**27. Earnings per share (EPS):**

The details of number of Equity shares used in calculating Basic and Diluted earnings per share and the EPS are set out below:

PARTICULARS	Year ended 31-03-2020	Year ended 31-03-2019
Weighted average Equity shares for computing Basic EPS	1,46,03,788	121,73,227
Dilutive impact of Share Warrants	-	10,00,000
Weighted average Equity shares for computing Diluted EPS	1,46,03,788	131,73,226.55
Net Profit (Loss) Attributable to Share Holders as at 31st March	(1,87,16,742)	(2,13,55,225)
Earnings per Share-Basic	(1.28)	(1.75)
Earnings per Share-Diluted	(1.28)	(1.62)

28. The Company has not received any information from any of the supplier of their being Micro, Small and medium enterprises. Hence, the amounts due to Micro, Small and Medium enterprises outstanding as on 31-03-2020 was Rs. Nil

**29. Financial assets**

Financial Assets Valuation	Year ended 31-03-2020	Year ended 31-03-2019
Non-Current Investments		
Investment in equity instruments of subsidiaries (cost) Unquoted	487,06,060	487,06,060
Krisani Biosciences Pvt Ltd (5868200 equity shares of Rs 10 each subscribed at Rs. 8.3 per Share )		
Total Investment in subsidiaries	<b>487,06,060</b>	<b>487,06,060</b>
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
<b>Other Financial Assets ( Non-Current)</b>		
Security Deposits at (at amortised cost)	2,04,27,662	202,54,214
<b>Total non-current Financial assets</b>	<b>6,91,33,722</b>	<b>689,60,274</b>

### 29.1 Financial Risk Management

In course of its business, the company is exposed to certain financial risk such as market risk (Including currency risk and other price risks), credit risk and liquidity risk that could have significant influence on the company's business and operational/financial performance. The Board of directors reviews and approves risk management framework and policies for managing these risks and monitor suitable mitigating actions taken by the management to minimize potential adverse effects and achieve greater predictability to earnings.

### 29.2 Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the company. The company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, a means of mitigating the risk of financial loss from defaults.

The company makes an allowance for doubtful debts/advances using expected credit loss model.

### 29.3 Liquidity risk

Liquidity risk refers to the risk that the company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as pre requirements. The Company's exposure to liquidity risk is minimal.

30. The World Health Organization announced a global health emergency because of a new strain of coronavirus ("COVID-19") and classified its outbreak as a pandemic on March 11, 2020. On March 24, 2020, the Indian government announced a strict 21-day lockdown across the country to contain the spread of the virus, which was further extended till June 4, 2020. This pandemic and government response are creating disruption in global supply chain and adversely impacting most of the industries which has resulted in global slowdown.

The management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended March 31, 2020 and has concluded that no there is no impact which is required to be recognised in the financial statements. Accordingly, no adjustments have been made to the financial statements.

The impact of the global health pandemic may be different from that estimated as at the date of approval of these audited financials and the Company will continue to closely monitor any material changes to future economic conditions.

As per our report of even date  
for MSKA & Associates  
Chartered Accountants  
Firm Registration No: 105047W

(Ananthkrishnan Govindan)  
Partner  
Membership No. 205226

Place: Hyderabad  
Date : 29-07-2020

for and on behalf of the Board  
for DR HABEEBULLAH LIFE SCIENCES LIMITED

Sd/-  
(K. Krishnam Raju)  
Whole-time Director & Chairman  
DIN: 00874650

Sd/-  
(K. N.V. Narendra Kumar)  
Chief Financial Officer

Sd/-  
(Dr. Ameer Basha Paspala)  
Director  
DIN: 07585133

Sd/-  
(Neha Kankariya)  
Company Secretary

**INDEPENDENT AUDITOR'S REPORT****To the Members of Dr Habeebullah Life Sciences Limited****Report on the Audit of the Consolidated Financial Statements****Opinion**

We have audited the accompanying consolidated financial statements of Dr Habeebullah Life Sciences Limited (hereinafter referred to as the "Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2020, and the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on separate financial statements and on the other financial information of subsidiary the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group, as at March 31, 2020, of consolidated loss, consolidated changes in equity and its consolidated cash flows for the year then ended.

**Basis for Opinion**

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

**Emphasis of Matter**

We draw attention to the following matters in the Notes to the consolidated financial statements:

We draw attention to Note 31 to the financial statements which states that the management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended March 31, 2020 and has concluded that there is no impact which is required to be recognised in the consolidated financial statements.

Accordingly, no adjustments have been made to the consolidated financial statements.

Our opinion is not modified in respect of this matter(s).

**Key Audit Matters**

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

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

**Information Other than the Consolidated Financial Statements and Auditor's Report Thereon**

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Director's report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. 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.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

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

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

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Consolidated Financial Statements.

### **Other Matters**

We did not audit the financial statements of Krisani Bio Sciences Private Limited ("subsidiary"), whose financial statements reflect total assets (before consolidation adjustment) of Rs. 16,55,57,682 as at March 31, 2020, total revenues (before consolidation adjustment) is Nil and Cash and cash equivalents (before consolidation adjustment) amounting to Rs. 59,351 for the year ended on that date, as considered in the consolidated financial statements. The Consolidated financial statements also include the Group's share of net loss of Rs. 9,14,700 for the year ended March 31, 2020, as considered in the consolidated financial statements, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.

**Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
  - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
  - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group company incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. There were no pending litigations which would impact the consolidated financial position of the Group.
    - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary company incorporated in India.
2. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Group to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

For MSKA & Associates  
Chartered Accountants  
ICAI Firm Registration No. 105047W

Ananthakrishnan Govindan  
Partner  
Membership No.205226  
UDIN: 20205226AAAAGB2766

Place: Hyderabad  
Date: July 29, 2020



**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF DR HABEEBULLAH LIFE SCIENCES LIMITED****Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

For MSKA & Associates  
Chartered Accountants  
ICAI Firm Registration No. 105047W

Ananthkrishnan Govindan  
Partner  
Membership No.205226  
UDIN: 20205226AAAAGB2766

Place: Hyderabad  
Date: July 29, 2020

**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF DR HABEEBULLAH LIFE SCIENCES LIMITED**

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Dr Habeebullah Life Sciences Limited on the consolidated Financial Statements for the year ended March 31, 2020

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls with reference to consolidated financial statements of Dr Habeebullah Life Sciences Limited (hereinafter referred to as "the Holding Company") and its subsidiary company which is incorporated in India, as of that date.

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

The respective Board of Directors of the Holding company, its subsidiary company which is incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective companies 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 ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding company, its subsidiary company, which is incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, 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 consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding company, its subsidiary company which is incorporated in India.

**Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements**

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of

the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

#### **Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements**

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

#### **Opinion**

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary company incorporated in India, have, in all material respects, internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2020, based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

#### **Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to subsidiary company which is incorporated in India, is based on the corresponding reports of the auditors of such company incorporated in India.

For MSKA & Associates  
Chartered Accountants  
ICAI Firm Registration No. 105047W

Ananthkrishnan Govindan  
Partner  
Membership No.205226  
UDIN: 20205226AAAAGB2766

Place: Hyderabad  
Date: July 29, 2020

## CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2020

( Amount in Rs.)

	PARTICULARS	Note No.	As at March 31, 2020	As at March 31, 2019
<b>I</b>	<b><u>ASSETS:</u></b>			
(1)	<b>Non-current assets</b>			
	(a) Property, Plant and Equipment	2	13,19,067	25,97,497
	(b) Intangible Assets under development	3	18,99,25,539	17,76,70,273
	(c) Financial assets			
	(i) Investments	4	75,000	75,000
	(ii) Other Financial Assets	5	2,04,27,662	2,02,54,214
	(d) Deferred tax assets (net)	6	46,09,752	38,98,741
(2)	<b>Current assets</b>			
	(a) Inventories	7	13,11,399	15,92,177
	(b) Financial assets			
	(i) Trade receivables	8	2,17,51,432	2,21,23,006
	(ii) Cash and cash equivalents	9	2,94,413	2,29,988
	(iii) Loans and advances	10	94,00,000	94,00,000
	(iv) Other financial assets	11	24,10,319	9,86,676
	(c) Other current assets	12	3,05,97,296	2,34,04,880
	<b>TOTAL ASSETS</b>		<b>28,21,21,879</b>	<b>26,22,32,451</b>
<b>II</b>	<b><u>EQUITY AND LIABILITIES:</u></b>			
	<b>Equity</b>			
	(a) Equity Share Capital	13	14,80,87,060	13,80,87,060
	(b) Other Equity			
	(i) Share Warrants	14(a)	-	50,00,000
	(ii) Reserves and Surplus	14(b)	(3,02,56,210)	(2,10,69,952)
	(c) Non-Controlling Interests	14(c)	4,00,55,176	4,05,00,360
	<b>Liabilities</b>			
(1)	<b>Non Current Liabilities</b>			
	Financial Liabilities			
	(a) Provisions	15	14,49,744	12,57,446
(2)	<b>Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	16	8,58,40,000	7,91,80,000
	(ii) Trade Payables	17	30,49,902	23,99,213
	(b) Other current liabilities	18	3,36,53,168	1,68,01,850
	(c) Provisions	19	2,43,039	76,474
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>28,21,21,879</b>	<b>26,22,32,451</b>
	Significant accounting policies and notes to accounts	1 to 31		

As per our report of even date  
for MSKA & Associates  
Chartered Accountants  
Firm Registration No: 105047W

(Ananthkrishnan Govindan)  
Partner  
Membership No. 205226

Place: Hyderabad  
Date : 29-07-2020

for and on behalf of the Board  
for DR HABEEBULLAH LIFE SCIENCES LIMITED

Sd/-  
(K.Krishnam Raju)  
Whole-time Director & Chairman  
DIN: 00874650

Sd/-  
(K. N.V.Narendra Kumar)  
Chief Financial Officer

Sd/-  
(Dr. Ameer Basha Paspala)  
Director  
DIN: 07585133

Sd/-  
(Neha Kankariya)  
Company Secretary

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2020

( Amount in Rs.)

	PARTICULARS	Note No.	Year Ended March 31, 2020	Year Ended March 31, 2019
I	Revenue from operations	20	1,43,18,627	2,01,44,734
II	Other Income	21	15,81,825	11,04,569
III	<b>Total Income (I+II)</b>		<b>1,59,00,452</b>	<b>2,12,49,303</b>
IV	<b>Expenses:</b>			
	Cost of raw material and components consumed	22	22,48,895	22,99,679
	Employee Benefit Expenses	23	1,39,96,215	1,47,90,213
	Depreciation and amortization expenses	2	1,63,064	1,84,413
	Other expenses	24	2,00,19,591	2,75,22,615
	<b>Total Expenses</b>		<b>3,64,27,764</b>	<b>4,47,96,920</b>
V	Profit before tax (III-IV)		(2,05,27,312)	(2,35,47,617)
VI	Tax Expenses			
	- Current tax		-	-
	- Deferred tax		(7,11,011)	(2,67,736)
VII	Profit for the period (V-VI)		<b>(1,98,16,302)</b>	<b>(2,32,79,881)</b>
VIII	Other Comprehensive Income (OCI)			
	i) Items that will not be reclassified to profit & loss		1,84,859	63,425
	ii) Income tax relating to items that will not be reclassified to profit & loss		-	-
	Other comprehensive income for the year (net of tax)		<b>1,84,859</b>	<b>63,425</b>
IX	Total Comprehensive Income (VII+VIII)		<b>(1,96,31,443)</b>	<b>(2,32,16,456)</b>
X	Comprehensive Income attributable to			
	Owners of the company		(1,91,86,258)	(2,23,10,595)
	Non Controlling Interest		(4,45,185)	(9,05,861)
XI	Earnings per equity share: (Equity shares of par value of Rs.10/- each)			
	- Basic	28	(1.31)	(1.83)
	- Diluted	28	(1.31)	(1.69)
	<b>Significant accounting policies and notes to accounts</b>	1 to 31		

As per our report of even date  
for MSKA & Associates  
Chartered Accountants  
Firm Registration No: 105047W

(Ananthkrishnan Govindan)  
Partner  
Membership No. 205226

Place: Hyderabad  
Date : 29-07-2020

for and on behalf of the Board  
for DR HABEEBULLAH LIFE SCIENCES LIMITED

Sd/-  
(K.Krishnam Raju)  
Whole-time Director & Chairman  
DIN: 00874650

Sd/-  
(K. N.V.Narendra Kumar)  
Chief Financial Officer

Sd/-  
(Dr. Ameer Basha Paspala)  
Director  
DIN: 07585133

Sd/-  
(Neha Kankariya)  
Company Secretary

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH, 2020

PARTICULARS	Year ended 31-03-2020 Amount in Rs.	Year ended 31-03-2019 Amount in Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net profit before tax	(2,05,27,312)	(2,35,47,617)
<b>Adjustment for:</b>		
Depreciation and Amortisation	1,63,064	1,84,413
Interest Expenses	-	-
Interest Earned	-	-
Cash Flows from Operations before changes in assets and liabilities	(2,03,64,248)	(2,33,63,204)
<b>Movements in Working Capital::</b>		
(Increase)/ Decrease in trade receivables	3,71,574	66,17,080
(Increase) / Decrease in Short term Loans and Advances	-	(24,00,000)
(Increase)/Decrease in other financial assets Assets	(14,23,643)	(9,86,676)
(Increase)/Decrease in other Current Assets	(71,92,416)	(2,27,06,458)
(Increase) / Decrease in Inventories	2,80,779	(6,40,168)
Increase / (Decrease) in Trade Payables	6,50,689	17,78,462
Increase/(Decrease) in Other current liabilities	1,68,51,318	1,20,61,146
Increase/(Decrease) in Current Provisions	1,66,565	43,813
<b>Change in Working Capital</b>	<b>97,04,865</b>	<b>(62,32,801)</b>
<b>Changes in non current assets and liabilities</b>		
Decrease/(Increase) in loans & advances	(1,73,448)	(7,29,214)
(Decrease)/Increase in Long Term Provisions	3,77,157	7,28,258
<b>Changes in non current assets and liabilities</b>	<b>2,03,709</b>	<b>(956)</b>
<b>Cash Generated From Operations</b>	<b>(1,04,55,674)</b>	<b>(2,95,96,961)</b>
Less: Taxes paid	-	-
<b>Net Cash from operating activities(A)</b>	<b>(1,04,55,674)</b>	<b>(2,95,96,961)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
(Increase) / Decrease in Fixed assets and Capital Work In progress	(1,11,39,900)	(1,55,01,218)
Bank Balances not considered as Cash and Cash equivalents	-	-
Investment in equity Shares	-	-
<b>Net cash used in Investing activities (B)</b>	<b>(1,11,39,900)</b>	<b>(1,55,01,218)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase / (Decrease) in Share Capital	1,50,00,000	3,07,50,000
Increase / (Decrease) in Borrowings	66,60,000	1,11,30,000
Interest paid	-	-
<b>Net cash Flow from Financing Activities ( C )</b>	<b>2,16,60,000</b>	<b>4,18,80,000</b>
<b>Net Increase/(Decrease) in cash &amp; cash equivalents [A+B+C]</b>	<b>64,426</b>	<b>(32,18,179)</b>
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	2,29,988	34,48,167
CASH & CASH EQUIVALENTS AT THE END OF THE YEAR	<b>2,94,413</b>	<b>2,29,988</b>

As per our report of even date  
for MSKA & Associates  
Chartered Accountants  
Firm Registration No: 105047W

(Ananthkrishnan Govindan)  
Partner  
Membership No. 205226

Place: Hyderabad  
Date : 29-07-2020

for and on behalf of the Board  
for DR HABEEBULLAH LIFE SCIENCES LIMITED

Sd/-  
(K. Krishnam Raju)  
Whole-time Director & Chairman  
DIN: 00874650

Sd/-  
(K. N.V.Narendra Kumar)  
Chief Financial Officer

Sd/-  
(Dr. Ameer Basha Paspala)  
Director  
DIN: 07585133

Sd/-  
(Neha Kankariya)  
Company Secretary

## Consolidated Statement of Changes in Equity

## a. Equity share capital

(Amount in Rs.)

	Amount
Balance as at the 31 March 2018	11,75,87,060
Changes in equity share capital during 2018-19	2,05,00,000
Balance as at the 31 March 2019	13,80,87,060
Changes in equity share capital during 2019-20	1,00,00,000
Balance as at the 31 March 2020	14,80,87,060

## b. Other equity

(Amount in Rs.)

	Share Warrants	Reserves and surplus			Items of Other comprehensive income (OCI)	Equity attributable to the share holders of the company	Non-Controlling Interest	Total
		Securities Premium Reserve	Capital Reserve	Retained earnings	Others			
Balance at 31 March 2018	1,52,50,000	1,50,00,000	1,75,472	(3,44,34,830)	-	(40,09,358)	4,14,06,221	3,73,96,863
Total comprehensive income for the year ended 31 March 2019								
Profit or loss		-	-	(2,23,74,020)	-	(2,23,74,020)	(9,05,861)	(2,32,79,881)
Other comprehensive income(net of tax)		-	-	-	63,425			63,425
Total comprehensive income		-	-	(2,23,74,020)	63,425	(2,23,10,595)	(9,05,861)	(2,32,16,456)
Transactions with owners in their capacity as owners	50,00,000	2,05,00,000	-	-	-	2,55,00,000	-	2,55,00,000
Other comprehensive income(net of tax)		-	-	-	-			-
Balance at 31 March 2019	50,00,000	3,55,00,000	1,75,472	(5,68,08,850)	63,425	(1,60,69,953)	4,05,00,360	2,44,30,407
Total comprehensive income for the year ended 31 March 2020								
Profit or loss		-	-	(1,93,71,117)	-	(1,93,71,117)	(4,45,185)	(1,98,16,302)
Other comprehensive income(net of tax)		-	-	-	1,84,859	1,84,859		1,84,859
Total comprehensive income		-	-	(1,93,71,117)	1,84,859	(1,91,86,258)	(4,45,185)	(1,96,31,443)
Transactions with owners in their capacity as owners	-	1,00,00,000	-	-	-	1,00,00,000	-	1,00,00,000
Other comprehensive income(net of tax)		-	-	-	-			-
Balance at 31 March 2020	-	4,55,00,000	1,75,472	(7,61,79,966)	2,48,284	(3,02,56,210)	4,00,55,176	97,98,966

As per our report of even date  
for MSKA & Associates  
Chartered Accountants  
Firm Registration No: 105047W

(Ananthkrishnan Govindan)  
Partner  
Membership No. 205226

Place: Hyderabad  
Date : 29-07-2020

for and on behalf of the Board  
for DR HABEEBULLAH LIFE SCIENCES LIMITED

Sd/-  
(K.Krishnam Raju)  
Whole-time Director & Chairman  
DIN: 00874650

Sd/-  
(K. N.V.Narendra Kumar)  
Chief Financial Officer

Sd/-  
(Dr. Ameer Basha Paspala)  
Director  
DIN: 07585133

Sd/-  
(Neha Kankariya)  
Company Secretary

## 1. Significant Accounting Policies & Notes annexed to and forming part of the Consolidated financial Statements

### 1.1. Basis for preparation of financial statements:

#### a) Compliance with Indian Accounting Standards (Ind AS)

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under section 133 of the Companies Act, 2013.

The same accounting policies have been applied for all the periods presented except when the Group has made use of certain exceptions.

The financial statements have been prepared on the historical cost basis except for certain instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

All assets and liabilities have been classified as current or non-current as per the Group normal operating cycle and other criteria set out in the schedule III of the Act. The Group has determined its operating cycle as twelve months for the purpose of current-noncurrent classification of assets and liabilities.

The financial statements are presented in Indian Rupees which is also its functional currency. All amounts have been rounded – off to the nearest rupees, unless otherwise indicated.

#### b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2020. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

Exposure, or rights, to variable returns from its involvement with the investee, and

The ability to use its power over the investee to affect its returns the Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. The acquisition accounting is used by the group to account for business combinations.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31<sup>st</sup> March.



**Consolidation procedure**

- i. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- ii. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- iii. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

**d) Use of estimates and judgment**

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

**1.2. Property, Plant and Equipment & Depreciation**

Items of Property, Plant and Equipment are stated at cost less accumulated depreciation.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

Depreciation on the fixed assets has been provided based on useful lives as prescribed under part C of the schedule II of the companies act, 2013.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed of).

**1.3 Impairment of non-financial assets**

The Group non-financial assets, other than deferred tax assets are reviewed at each reporting date to

determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

#### 1.4 Intangible assets

Intangible assets are amortized over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as change in accounting estimates. The amortization expense on intangible assets with finite useful lives is recognized in profit or loss.

#### 1.5 Inventory

Cost of inventories have been computed to include all costs of purchases (including materials), cost of conversion and other costs incurred, as the case may be, in bringing the inventories to their present location and condition.

Stores and consumables are valued at cost arrived at on FIFO basis or net realisable value, whichever is lower

#### 1.6 Foreign currencies transactions and translations

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

The gain or loss on decrease/increase in reporting currency due to fluctuations in foreign exchange rates, in case of monetary current assets and liabilities in foreign currency, are recognised in the Statement of Profit and Loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are recorded using the exchange rates at the date of the transaction.

#### 1.7 Provisions

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

#### 1.8 Revenue Recognition

The Company primarily earns revenue by providing Health care services (Diagnostic & Outpatient Services).

Revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met as described below.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as

revenue are net of indirect taxes, trade allowances, rebates and amounts collected on behalf of third parties and is not recognised in instances where there is uncertainty with regard to ultimate collection. In such cases revenue is recognised on reasonable certainty of collection.

### **Interest Income**

Interest income from a financial asset is recognised using effective interest rate method. However, in respect of certain financial assets where it is not probable that the economic benefits associated with the transaction will flow to the entity and amount of revenue cannot be measured reliably, in such cases interest income is not recognised.

## **1.9 Dividend Income**

Dividends will be recognised when the Group right to receive has been established

## **1.10 Employee benefits**

### **1.10.1 Short term employee benefits**

The undiscounted amount of short term employee benefits are expected to be paid in exchange for the services rendered by employees are recognised as an expense during the period when the employees render the services.

### **1.10.2 Defined benefit plans**

#### **a) Gratuity**

In accordance with the Payment of Gratuity Act, 1972, Group provides for gratuity, a defined retirement plan (the "Gratuity Plan") covering the eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee salary and the tenure of employment. Liability with regard to the Gratuity Plan are determined by actuarial valuation as of the balance sheet date, based upon which, the Group contributes the ascertained liabilities to Insurer.

#### **b) Provident fund**

Eligible employees receive benefits from a provident fund, which is a defined contribution plan. Aggregate contributions along with interest thereon is paid at retirement, death, incapacitation or termination of employment. Both the employee and the Group make monthly contributions to the Regional Provident Fund Commissioner equal to a specified percentage of the covered employee's salary.

#### **c) Employee State Insurance Fund**

Eligible employees are entitled to receive benefit under employee state insurance fund scheme. The employer makes contribution to the scheme at a predetermined rate of employee's gross salary. The Company has no further obligations under the plan beyond its monthly contributions. These contributions are made to the fund administered and managed by the Government of India. contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

#### **d) Leave encashment**

All the employees who have completed their eligible service in the Company are eligible for leave encashment as per policy of the Company and the same is paid to the eligible employee at retirement, death, incapacitation or termination of employment. This amount, as calculated for all the eligible employees, is charged to income and taken as provision in the financial statements.

## **1.11 Tax Expenses**

The tax expense for the period comprises current and deferred tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the comprehensive income or in equity. In which case, the tax is also recognised in other comprehensive income or equity.

**Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are off set only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

**Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

**Minimum Alternate Tax (MAT)**

Minimum Alternate Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income-tax during the specified period.

**1.12 Leases**

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

As per Ind AS 116, Variable lease payments that do not depend on an index or rate and are not in substance or fixed, such as those based on performance (i.e. percentage of sales) are not included as lease payments and these payments are recognized in the statement of profit or loss in the period in which the event that triggers the payment occurrence.

Hence, the company did not recognize any ROU as the lease agreement does not contain fixed Minimum Lease payments.

**1.13 Borrowing costs**

Borrowing costs incurred for obtaining assets which takes substantial period to get ready for their intended use are capitalized to the respective assets wherever the costs are directly attributable to such assets and in other cases by applying weighted average cost of borrowings to the expenditure on such assets. Other borrowing costs are treated as expense for the year.

Transaction costs in respect of long-term borrowings are amortized over the tenor of respective loans using effective interest method.

### 1.14 Earnings per equity share

#### (i) Basic earnings per share

Basic earnings per share is calculated by dividing:  
The profit attributable to owner of the Group.

By the weighted number of equity shares outstanding during the financial year

#### (ii) Diluted earnings per share

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

### 1.15 Financial Instruments

#### i. Financial assets

##### A. Initial recognition and measurement

All financial assets and liabilities are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition.

##### a) Financial assets carried at amortized cost (AC)

A financial asset is measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### b) Financial assets at fair value through profit or loss (FVTPL)

A Financial asset which is not classified as AC or FVOCI are measured at FVTPL e.g. investments in mutual funds. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the Statement of Profit and Loss within other gains/(losses) in the period in which it arises.

##### c) Financial assets at fair value through other comprehensive income (FVTOCI)

A financial asset is measured at FVTOCI if it is held within a business model whose Objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### B. Investments in subsidiaries

The Group has accounted for its investments in subsidiaries at cost and not adjusted to fair value at the end of each reporting period. Cost represents amount paid for acquisition of the said investments.

#### ii. Financial Liabilities

##### A. Initial recognition

All financial liabilities are recognized at fair value.

##### B. Subsequent measurement

Financial liabilities are carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(Amount in Rs.)

	Computers	Furniture and Fixtures	Lab Equipments	Office Equipment	Total
<b>Gross carrying amount Balance at 31 March 2018</b>	<b>7,65,225</b>	<b>5,40,815</b>	<b>89,62,138</b>	<b>4,62,589</b>	<b>1,07,30,767</b>
Additions	90,017	-	1,15,640	73,179	2,78,836
Disposals	-	-	-	-	-
<b>Balance at 31 March 2019</b>	<b>8,55,242</b>	<b>5,40,815</b>	<b>90,77,778</b>	<b>5,35,768</b>	<b>1,10,09,603</b>
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
<b>Balance at 31 March 2020</b>	<b>8,55,242</b>	<b>5,40,815</b>	<b>90,77,778</b>	<b>5,35,768</b>	<b>1,10,09,603</b>
<b>Accumulated depreciation at 31 March 2018</b>	<b>6,70,092</b>	<b>3,95,578</b>	<b>56,94,031</b>	<b>3,52,626</b>	<b>71,12,327</b>
Depreciation for the year	78,678	63,681	11,19,627	37,793	12,99,779
<b>Balance at 31 March 2019</b>	<b>7,48,770</b>	<b>4,59,259</b>	<b>68,13,658</b>	<b>3,90,419</b>	<b>84,12,106</b>
Depreciation for the year	54,864	54,690	11,28,910	39,966	12,78,430
<b>Balance at 31 March 2020</b>	<b>8,03,634</b>	<b>5,13,949</b>	<b>79,42,568</b>	<b>4,30,385</b>	<b>96,90,536</b>
<b>Carrying amounts(net)</b>					
<b>At 31 March 2018</b>	<b>95,133</b>	<b>1,45,237</b>	<b>32,68,107</b>	<b>1,09,963</b>	<b>36,18,440</b>
<b>At 31 March 2019</b>	<b>1,06,472</b>	<b>81,556</b>	<b>22,64,120</b>	<b>1,45,349</b>	<b>25,97,497</b>
<b>At 31 March 2020</b>	<b>51,608</b>	<b>26,866</b>	<b>11,35,210</b>	<b>1,05,383</b>	<b>13,19,067</b>

## NOTE NO. 2: PROPERTY, PLANT AND EQUIPMENT:

Depreciation on Lab Equipments amounting to Rs.11,15,366/- (Previous Year Rs. 11,15,366/-) Included in Intangible Assets Under Development.

## Consolidated Notes to accounts

## NOTE NO: 3 INTANGIBLE ASSETS UNDER DEVELOPMENT

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
Intangible Assets	-	-
Intangible Assets Under Development	18,99,25,539	17,76,70,273
	<b>18,99,25,539</b>	<b>17,76,70,273</b>

## NOTE NO: 4 NON CURRENT INVESTMENTS

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
Investment In Subsidiary Company carried at Cost "Krisani Innovations Private Limited(7,500 Equity Shares of Rs.10 each subscribe at Rs. 10/- per share)"	- 75,000	- 75,000
	<b>75,000</b>	<b>75,000</b>

## NOTE NO: 5 OTHER NON-CURRENT FINANCIAL ASSETS

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
Security Deposits	2,04,27,662	2,02,54,214
	<b>2,04,27,662</b>	<b>2,02,54,214</b>

## NOTE NO: 6 DEFERRED TAX ASSETS (Net):

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
Opening Deferred Tax asset	38,98,741	36,31,005
Deferred tax asset/(liability) to P&L for the year	7,11,011	2,67,736
Deferred tax asset to OCI for the year	-	-
	<b>46,09,752</b>	<b>38,98,741</b>

## Component of Deferred tax asset / (liabilities)

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
Deferred tax asset / (liabilities) in relation to:		
Property, plant & equipment	3,31,530	1,31,306
Carry forward Losses	39,84,455	34,73,669
Future allowable Expenses	2,93,766	2,93,766
	<b>46,09,752</b>	<b>38,98,741</b>

## NOTE NO: 7 INVENTORIES

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
(a) Stores and consumables	13,11,399	15,92,177
	<b>13,11,399</b>	<b>15,92,177</b>

## NOTE NO: 8 TRADE RECEIVABLES

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
(a) Outstanding for a period exceeding six months from the date they are due for payment Unsecured, considered good	2,12,45,881	2,09,99,587
(b) Outstanding for a period not exceeding six months Unsecured, considered good	5,05,551	11,23,419
	<b>2,17,51,432</b>	<b>2,21,23,006</b>

## NOTE NO: 9 CASH AND CASH EQUIVALENTS

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
(a) Balance with banks	2,30,857	1,70,828
(b) Cash on Hand	63,556	59,160
	<b>2,94,413</b>	<b>2,29,988</b>



**NOTE NO: 10 LOANS AND ADVANCES**

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
Inter Corporate Loan given to group company M/s Innovision Life Sciences Pvt. Ltd	94,00,000	94,00,000
	<b>94,00,000</b>	<b>94,00,000</b>

**NOTE NO: 11 OTHER FINANCIAL ASSETS**

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
Interest receivable On Inter Corporate Loan given to M/s Innovision Life Sciences Pvt. Ltd	24,10,319	9,86,676
	<b>24,10,319</b>	<b>9,86,676</b>

**NOTE NO: 12 OTHER CURRENT ASSETS**

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
(a) GST Receivable	1,97,835	1,86,728
(b) MAT Credit Entitlement	2,06,409	2,06,410
('c) Advance Tax & TDS	1,78,513	1,59,561
(d) Other Advances	3,00,14,539	2,28,52,181
	<b>3,05,97,296</b>	<b>2,34,04,880</b>

**NOTE NO: 13: EQUITY SHARE CAPITAL**

PARTICULARS	As At March 31,2020		As At March 31,2019	
	Number	Amount in Rs.	Number	Amount in Rs.
<b>Authorised</b> Equity Shares of Rs. 10/- each	1,60,00,000	16,00,00,000	1,60,00,000	16,00,00,000
<b>Issued, Subscribed and Paid up</b> Equity Shares of Rs. 10/- each fully paid up (Refer foot note (a) to ( c ) below)	1,48,08,706	14,80,87,060	1,38,08,706	13,80,87,060
<b>Total</b>	<b>1,48,08,706</b>	<b>14,80,87,060</b>	<b>1,38,08,706</b>	<b>13,80,87,060</b>

**Foot note:****(a) Reconciliation of the number of shares outstanding as at March 31, 2020 and March 31, 2019:**

PARTICULARS	As At March 31,2020		As At March 31,2019	
	Number	Amount in Rs.	Number	Amount in Rs.
Equity Shares outstanding at the beginning of the year	1,38,08,706	13,80,87,060	1,17,58,706	11,75,87,060
Equity Shares Issued during the year for Cash	10,00,000	1,00,00,000	20,50,000	2,05,00,000
Equity Shares Issued during the year for other than cash*	-	-	-	-
Equity Shares bought back during year	-	-	-	-
Equity Shares outstanding at the end of the year	1,48,08,706	14,80,87,060	1,38,08,706	13,80,87,060

\*1000000 shares warrants of Rs. 10 each allotted as fully paid upon receipt of the balance payment of Rs. 15/- per share. These Share warrants were issued at a premium of Rs. 10 and 25% of the total value (Face value Rs. 10 and premium Rs.10) were received in the FY 2019-20.

**(b) Details of Shareholders holding more than 5% shares :**

PARTICULARS	As At March 31,2020		As At March 31,2019	
	No. of Shares	% of Holding	No. of Shares	% of Holding
1 K. Krishnam Raju	28,99,630	19.58%	28,99,630	21.00%
2 Mohammed Aejaaz Habeeb	17,79,124	12.01%	12,79,124	9.26%
3 Syed Ameer Basha Paspala	16,61,800	11.22%	11,61,800	8.41%
4 K. Sarada Vijaya Kumari	8,65,690	5.85%	8,65,690	6.27%
5 K. Nirusha	10,29,200	6.95%	10,29,200	7.45%
6 P. Parvathi	3,93,586	2.66%	3,93,586	2.85%
7 Arun Kumar Bhangadia (Public)	7,73,728	5.22%	7,75,381	6.61%
8 M. Neela Reddy (Public)	6,93,000	4.68%	6,93,000	5.02%

**(c) Terms and rights attached to the equity shares:**

The Company has only one class of equity shares having par value of Rs.10/- each. Each holder of equity shares is entitled for one vote per share. Distribution of dividends and repayment of capital, if any, by the company, shall be subject to the provisions of applicable laws.

**NOTE NO: 14 (a) SHARE WARRANTS**

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
Convertible Equity Share Warrants	-	50,00,000
	-	<b>50,00,000</b>

## NOTE NO: 14 (b) RESERVES AND SURPLUS

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
<b>(a) Securities Premium:</b>	4,55,00,000	3,55,00,000
<b>(b) Capital Reserve</b>		
Profit on Acquisition of Krisani Bio Sciences Private Limited	1,75,472	1,75,472
<b>(b) Retained earnings:</b>		
Opening balance	(5,68,08,849)	(3,44,34,829)
(+) Net profit during the year	(1,93,71,117)	(2,23,74,020)
Closing balance	<b>(7,61,79,966)</b>	<b>(5,68,08,849)</b>
<b>(c) Other Comprehensive income:</b>		
Opening balance	63,425	-
(+) During the year	1,84,859	63,425
Closing balance	<b>2,48,284</b>	<b>63,425</b>
<b>Total (a+b+c)</b>	<b>(3,02,56,210)</b>	<b>(2,10,69,952)</b>

## NOTE NO: 14 (c) NON-CONTROLLING INTERESTS

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
NCI % in Krisani Bio Sciences Private Limited	48.67%	48.7%
Non Current Assets	16,53,32,362	16,24,03,187
Current Assets	2,25,320	2,43,377
Non Current Liabilities	-	-
Current Liabilities	(8,32,58,164)	(7,94,32,346)
Net Assets	<b>8,22,99,518</b>	<b>8,32,14,218</b>
<b>Net Assets Attributable to NCI</b>	<b>4,00,55,176</b>	<b>4,05,00,360</b>

**NOTE NO: 15 LONG TERM PROVISIONS:**

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
Provision for employee Gratuity	9,13,733	6,97,208
Provision for Leave encashment	5,36,011	5,60,238
	<b>14,49,744</b>	<b>12,57,446</b>

**NOTE NO: 16 SHORT TERM BARROWINGS**

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
Un Secured Loans from Directors (The above loans are interest free loans and repayable on demand)	8,58,40,000	7,91,80,000
	<b>8,58,40,000</b>	<b>7,91,80,000</b>

**NOTE NO: 17 TRADE PAYABLES**

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
Dues to Micro, Small and Medium Enterprises Dues to others	30,49,902	23,99,213
	<b>30,49,902</b>	<b>23,99,213</b>

**NOTE NO: 18 OTHER CURRENT LIABILITIES**

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
(a) Statutory Liabilities	30,59,695	3,97,079
(b) Expenses Payable	1,83,20,123	1,02,24,061
(c) Security deposits from customers	34,66,050	34,66,050
(d) Employee Benefits Payable	88,07,300	27,14,660
	<b>3,36,53,168</b>	<b>1,68,01,850</b>

**NOTE NO: 19 SHORT TERM PROVISIONS**

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
Provision for Gratuity payment	2,43,039	76,474
Provision for Leave Encashment	-	-
	<b>2,43,039</b>	<b>76,474</b>

**NOTE NO: 20 REVENUE FROM OPERATIONS**

PARTICULARS	As at March 31, 2020	As at March 31, 2019
	Amount in Rs.	Amount in Rs.
<b>Revenue from Operations</b>		
Diagnostic Services	1,26,03,967	1,75,43,724
OP Services	17,14,660	25,90,010
Sales - Products	-	11,000
	<b>1,43,18,627</b>	<b>2,01,44,734</b>

**NOTE NO: 21 OTHER INCOME**

PARTICULARS	Year ended March 31, 2020	Year ended March 31, 2019
	Amount in Rs.	Amount in Rs.
<b>Non Operating Income</b>		
Finance Income on		
Interest on ICD	15,81,825	10,96,307
Others	-	8,262
Liabilities no longer required	-	-
	<b>15,81,825</b>	<b>11,04,569</b>

**NOTE NO: 22 MATERIAL AND COMPONENTS CONSUMED**

PARTICULARS	Year ended March 31, 2020	Year ended March 31, 2019
	Amount in Rs.	Amount in Rs.
Inventory at the beginning of the year	15,92,177	9,52,009
Add: Purchases	19,68,118	29,39,847
Less: inventory at the end of the year	13,11,400	15,92,177
Cost of raw material and components consumed	<b>22,48,895</b>	<b>22,99,679</b>

**NOTE NO: 23 EMPLOYEE BENEFITS EXPENSES**

PARTICULARS	Year ended March 31, 2020	Year ended March 31, 2019
	Amount in Rs.	Amount in Rs.
Salaries & Wages	1,28,49,929	1,32,53,045
Contribution to provident and other funds	3,94,612	4,73,780
Gratuity and Leave Encashment	5,43,723	7,72,071
EPF Admin Charges	24,078	26,328
Staff welfare expenses	1,83,873	2,64,989
	<b>1,39,96,215</b>	<b>1,47,90,213</b>

## NOTE NO: 24 OTHER EXPENSES

PARTICULARS	Year ended March 31, 2020	Year ended March 31, 2019
	Amount in Rs.	Amount in Rs.
Rent	39,61,511	58,59,845
Rates and Taxes	3,64,676	1,53,610
Professional & Consultancy Fee	65,96,458	1,06,63,917
Audit Fees (Refer Note below)	2,65,500	2,65,500
Office Maintenance	1,58,045	3,28,405
Printing & Stationery	2,87,947	4,22,364
Communication Expenses	97,836	1,65,549
Travelling & Conveyance	6,74,246	9,41,332
Power & Fuel Expenses	31,48,775	36,88,731
Repairs & Maintenance	2,08,843	1,52,387
Postage & Courier	10,030	20,458
Bank Charges	81,412	60,422
Advertisement Expenses	2,40,822	2,29,123
Diagnostic outsourcing expenses	8,74,088	4,38,116
Listing Processing & Annual Listing Fees	6,25,400	4,51,780
Registrar & Transfer Fees	85,609	1,15,311
HK, Security and Hospital Maintenance	18,21,058	20,12,137
Lab Maintenance Expenses	65,790	1,17,814
Discount Expenses		6,096
Foreign Exchange loss	83,382	1,115
Directors Sitting Fees	2,85,000	2,85,000
Books & Periodicals		-
Fines & Penalties		-
Unrealisable Current Assets		61,512
GST Input reversal	-	10,82,092
Other Expenses	83,165	
	<b>2,00,19,591</b>	<b>2,75,22,615</b>

**Note: Payment to Auditors :**

As Auditors

Statutory Audit Fees

**2019-20**

2,25,000

**2018-19**

2,25,000

\* Statutory Audit fees is exclusive of GST

**Note No: 28 Earnings Per Share (EPS)**

	As at 31.03.2020	As at 31.03.2019
<b>EPS – Basic</b>		
Net Profit (Loss)	(1,91,86,258)	(2,23,10,595)
Appropriations	-	-
Net Profit (Loss) Attributable to Share Holders as at 31st March (Numerator)	(1,91,86,258)	(2,23,10,595)
No of Shares outstanding at the beginning of the year	1,38,08,706	1,17,58,706
No of Shares outstanding at the end of the year	1,48,08,706	1,38,08,706
Adjusted Weighted average number of equity shares of Face Value Rs.10 each (Denominator)	1,46,03,788	1,21,73,227
Nominal Value of Ordinary Shares	10	10
<b>Computation of EPS - Basic (in Rs)</b>	<b>(1.31)</b>	<b>(1.83)</b>
<b>EPS – Diluted</b>		
Net Profit (Loss) Attributable to Share Holders as at 31st March of Face Value Rs.10 each (Numerator)	(1,91,86,258)	(2,23,10,595)
Adjusted Weighted average number of equity shares	1,46,03,788	1,21,73,227
Weighted average number of equity shares that would be issued on conversion of all Share Warrants into Equity shares	-	10,00,000
Total Weighted average number of equity shares for Diluted EPS (Denominator)	1,46,03,788	1,31,73,227
Nominal Value of Ordinary Shares	10	10
<b>Computation of EPS - Diluted (in Rs)</b>	<b>(1.31)</b>	<b>(1.69)</b>

Particulars	3/31/2020	3/31/2019
Op balance	1,38,08,706	1,17,58,706
No of shares allotted	10,00,000	4,55,000
Date of allotment	<b>6/14/2019</b>	<b>5/20/2018</b>
No of Days outstanding	291	315
Therefore weighted no. of Shares	7,95,082	3,92,671
No of shares allotted		15,95,000
Date of allotment		43,550
No of Days outstanding		5
Therefore weighted no. of Shares		21,849
<b>Total No of Weighted equity Shares</b>	<b>1,46,03,788</b>	<b>1,21,73,227</b>

Particulars	3/31/2020	3/31/2019
Balance of Share Warrants Money	-	50,00,000
<b>Full Amount of Share Warrants</b>	-	<b>2,00,00,000</b>
No. of Equity Share to be Issued for warrants	-	10,00,000



**25. Related Party Disclosures**

As per Ind AS 24 the disclosure of transactions with the related parties are given below

**a) Related Parties and nature of relationship:**

Mr.K.Krishnam Raju	Promoter & Whole-time Director & Chairman
Dr.Mohammed Aejaz Habeeb	Promoter & Non - Executive Director
Dr.Syed Ameer Basaha Paspala	Promoter & Non - Executive Director
Dr.Akka Jyothy	Independent Non - Executive Director
Dr.T.V.Rama Krishna Murthy	Independent Non - Executive Director
Mr. Surya Prakasa Rao Bommiseti	Independent Non – Executive Director
Ms.Pooja Jain	Company Secretary & Compliance Officer (Resigned on 13th August 2019
Ms.Kankariya Neha	Company Secretary & Compliance Officer ( Wef 01st February 2020)
Mrs.K.Nirusha	Chief Financial Officer & Promoter Group (Resigned Wef 14th February 2020)
K.Ramayana Yadav	Company Secretary & Compliance Officer (Appointed on 28th August 2019 & Resigned on 18th December 2019)
Mr. K.N.V.Narendra Kumar	Chief Financial Officer (KMP) (Wef 14st February 2020)
Mrs.K.Sarada Vijaya Kumari	Director of Subsidiary Company
Mrs. Shwetha R Anthapur	Company Secretary of Subsidiary Company

The Promoters of DRHLSL are major Promoters and/or Shareholders / Partners of the below entities –

1. Innovision Life Sciences Pvt.Ltd – Company
2. Centre For Liver Research and Diagnostics – Partnership Firm

**b) Transactions with Related parties:**

Name of the related party	Nature of Transaction	Year ended 31-03-2020 (Rupees)	Year ended 31-03-2019 (Rupees)
K. Krishnam Raju	Remuneration	36,00,000	36,00,000
	Rent expenses	50,000	3,00,000
	Demand loan taken	1,19,90,000	174,30,000
	Demand loan repaid	53,30,000	97,00,000
K.S.V.Kumari	Rent expenses	1,40,000	4,80,000
	Demand loan taken	-	1,00,000
Dr.Mohammed Aejez Habeeb	Professional Fee	3,78,509	15,79,961
Dr.Syed Ameer Basha Paspala	Professional Fee	26,19,433	27,84,434
	Demand loan taken	-	--
Ms.Pooja Jain	Remuneration	95,967	3,50,000
Mrs.K.Nirusha	Remuneration	7,86,207	9,00,000
Shwetha R Anthapur	Salary paid	2,25,000	1,80,000
K.N.V.Narendra Kumar	Remuneration	8,40,000	-
Ms.Neha Kankariya	Remuneration	60,000	-
Mrs.K.Ramyanka Yadav	Remuneration	1,35,040	-
CLRD Lease Rental Expense	Rent expenses	33,79,196	45,03,845
Innovision Life Sciences Pvt.Ltd	Inter-Corporate Loan	-	24,00,000
Innovision Life Sciences Pvt.Ltd	Interest Income	15,81,825	10,96,307
Centre For Liver Research and Diagnostics	Lease Deposit	-	5,00,000
Centre For Liver Research and Diagnostics	Advance	70,00,000	240,25,000

**c) Related parties outstanding balances:**

Name of the related party	Particulars	As at 31-03-2020 (Rupees)	As at 31-03-2019 (Rupees)
K. Krishnam Raju	Rent payable	3,87,500	3,42,500
	Remuneration payable	29,25,800	2,36,800
	Demand loan taken	7,00,40,000	633,80,000
K.S.V.Kumari	Rent payable	3,06,500	5,18,000
	Demand loan payable	93,00,000	93,00,000
Dr.Mohammed Aejez Habeeb	Professional Fee Payable	3,25,337	4,88,229
Dr.Syed Ameer Basha Paspala	Professional Fee Payable	39,27,724	15,70,234
	Demand loan payable	65,00,000	65,00,000
Shwetha R Anthapur	Salary payable	20,000	30,000
Centre for Liver Research and Diagnostics	Advance (Asset)	2,98,22,681	2,28,22,681
Innovision Life Science Limited	Inter-Corporate Loan	94,00,000	94,00,000
Innovision Life Science Limited	Interest Receivable on Inter-Corporate Loan	24,10,319	9,86,676
K.N.V.Narendra Kumar	Remuneration payable	6,69,880	-

**26. Auditors remuneration:**

PARTICULARS	2019-20 (Rupees)	2018-19 (Rupees)
Audit Fee (Exclusive of GST)	2,29,500	2,29,500
<b>Total</b>	<b>2,29,500</b>	<b>2,29,500</b>

27. The Board of Directors assesses the financial performance of the Company and make strategic decisions and has been identified as being the Chief Operating Decision Maker (CODM). Based on the internal reporting provided to the CODM, the Company has only one reportable segment i.e. 'healthcare services including hospital, diagnostics, health care skill development and allied services, Pharma and Bio technology (R&D)' and hence no separate disclosures are required under IndAS 108.

**28. Earnings per share (EPS):**

The details of number of Equity shares used in calculating Basic and Diluted earnings per share and the EPS are set out below:

PARTICULARS	Year ended 31-03-2020	Year ended 31-03-2019
Weighted average Equity shares for computing Basic EPS	1,46,03,788	121,73,227
Dilutive impact of Share Warrants	-	10,00,000
Weighted average Equity shares for computing Diluted EPS	1,46,03,788	131,73,226.55
Net Profit (Loss) Attributable to Share Holders as at 31st March	(1,91,86,258)	(223,10,595)
Earnings per Share-Basic	(1.31)	(1.83)
Earnings per Share-Diluted	(1.31)	(1.69)

29. The Group has not received any information from any of the supplier of their being Micro, Small and medium enterprises. Hence, the amounts due to Micro, Small and Medium enterprises outstanding as on 31-03-2020 was Rs. Nil.

**30. Financial assets**

Financial Assets Valuation	Year ended 31-03-2020	Year ended 31-03-2019
Non-Current Investments		
Investment in equity instruments of other companies (Cost) Unquoted	75,000	75,000
Krisani Innovations Pvt Ltd (7,500 equity shares of Rs 10 each subscribed at Face value )		
Aggregate book value of quoted investments	-	-
Aggregate market value of quoted investments	-	-
<b>Other Financial Assets ( Non-Current)</b>		
Security Deposits at (at amortised cost)	2,04,27,662	202,54,214
<b>Total non-current Financial assets</b>	<b>2,05,02,662</b>	<b>203,29,214</b>

**30.1 Financial Risk Management**

In course of its business, the Group is exposed to certain financial risk such as market risk (Including currency risk and other price risks), credit risk and liquidity risk that could have significant influence on the Group business and operational/financial performance. The Board of directors reviews and approves risk management framework and policies for managing these risks and monitor suitable mitigating actions taken by the management to minimize potential adverse effects and achieve greater predictability to earnings.

**30.2 Credit risk**

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, a means of mitigating the risk of financial loss from defaults.

The Group makes an allowance for doubtful debts/advances using expected credit loss model.

**30.3 Liquidity risk**

Liquidity risk refers to the risk that the Group cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as pre requirements. The Group exposure to liquidity risk is minimal.

31. The World Health Organization announced a global health emergency because of a new strain of coronavirus ("COVID-19") and classified its outbreak as a pandemic on March 11, 2020. On March 24, 2020, the Indian government announced a strict 21-day lockdown across the country to contain the spread of the virus, which has been further extended till June 4, 2020. This pandemic and government response are creating disruption in global supply chain and adversely impacting most of the industries which has resulted in global slowdown.

The management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended March 31, 2020 and has concluded that no there is no impact which is required to be recognised in the financial statements. Accordingly, no adjustments have been made to the financial statements.

The impact of the global health pandemic may be different from that estimated as at the date of approval of these audited financials and the Company will continue to closely monitor any material changes to future economic conditions.

As per our report of even date  
for MSKA & Associates  
Chartered Accountants  
Firm Registration No: 105047W

(Ananthakrishnan Govindan)  
Partner  
Membership No. 205226

Place: Hyderabad  
Date : 29-07-2020

for and on behalf of the Board  
for DR HABEEBULLAH LIFE SCIENCES LIMITED

Sd/-  
(K.Krishnam Raju)  
Whole-time Director & Chairman  
DIN: 00874650

Sd/-  
(K. N.V.Narendra Kumar)  
Chief Financial Officer

Sd/-  
(Dr. Ameer Basha Paspala)  
Director  
DIN: 07585133

Sd/-  
(Neha Kankariya)  
Company Secretary

*If Undelivered please return to :*

**DR HABEEBULLAH LIFE SCIENCES LIMITED**

2-5-36/CLRD/1, Survey No. 36, Chintalmet X Roads,  
Upperpally, Rajendra Nagar Mandal,  
Hyderabad – 500048, Telangana State, India