

INDEPENDENT AUDITOR'S REPORT

To the Members of Foundation for Neglected Disease Research

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Foundation for Neglected Disease Research ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Income and Expenditure and Statement of Cash Flows for the year then ended, and notes to the 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 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 principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its surplus 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 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 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.

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

The Company's Board of Directors is responsible for the other information. The other information obtained at the date of this auditor's report is Director's report but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, 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 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Report on Other Legal and Regulatory Requirements

1. This Report does not include a statement on the matters specified in paragraph 3 and 4 of 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, since in our opinion and according to the information and explanations given to us, the said Order is not applicable to the Company.
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 Income and Expenditure 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 financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. The Company registered under section 8 of the Companies Act, 2013, is a Private Company as defined under section 2(68) of the Act and covered under the criteria specified in the Notification G.S.R..583(E) dated June 13, 2017 as amended from time to time by Ministry of Corporate Affairs.

MSKA

& Associates

Chartered Accountants

Corporate Affairs and complies with conditions specified therein. Accordingly, reporting under section 143(3)(i) of the Act with respect to the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls is not applicable to the Company.

- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company
3. In our opinion, according to information, explanations given to us, the provisions of Section 197 of the Act and the rules thereunder are not applicable to the Company as it is a private Company.

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

Debashis Das Gupta



Debashis Dasgupta
Partner
Membership No. 053681
UDIN: 20053681AAAAAG6322

Bangalore
August 28, 2020

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE FINANCIAL STATEMENTS OF FOUNDATION FOR NEGLECTED DISEASE RESEARCH.

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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal financial control with reference to financial statements.
- 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.

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




Debashis Dasgupta
Membership No. 053681
UDIN: 20053681AAAAAG6322
Bangalore
August 28, 2020

FOUNDATION FOR NEGLECTED DISEASE RESEARCH
 CIN: U73200KA2014NPL076126
 Balance Sheet as at 31 March 2020
 (All amounts in Rupees, unless otherwise stated)

Particulars	Note	As at 31 March 2020	As at 31 March 2019
A EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	3	100,000	100,000
(b) Reserves and Surplus	4	38,982,858	12,221,888
2 Non- Current Liabilities			
(a) Deferred Tax Liabilities	11	-	-
(b) Long Term Provision	5	797,096	667,885
3 Current Liabilities			
(a) Short -Term Borrowings	6	-	-
(b) Trade Payables	7	5,714,078	5,487,325
(c) Other Current Liabilities	8	27,704,046	59,904,355
(d) Short- Term Provisions	9	280,339	12,101
TOTAL		73,578,417	78,393,554
B ASSETS			
1 Non - Current Assets			
(a) Property Plant & Equipment			
(i) Tangible Assets	10	22,769,403	5,001,152
(ii) Intangible Assets		77,806	48,707
(iii) Capital Work-In-Progress	10.1	-	17,716,382
(b) Deferred Tax Assets	11	-	-
(c) Long-Term Loans and Advances	12	2,945,140	3,090,000
2 Current Assets			
(a) Inventories	13	-	-
(b) Trade Receivables	14	259,746	1,645,796
(c) Cash and Cash Equivalents	15	35,194,339	40,519,890
(d) Short term Loans and Advances	16	12,331,983	10,371,627
TOTAL		73,578,417	78,393,554

The accompanying notes are an integral part of the financial statements.

As per our Report of even date

For MSKA & Associates
 Chartered Accountants
 Firm Registration No. -115047W

Debashis Das Gupta

[Debashis Dasgupta]
 Partner
 Membership No. 053681

Ashish Majumdar

[Ashish Majumdar]
 Chief Financial Officer



Place: Bangalore
 Date: 28 August 2020

For and on behalf of Board of Directors of
 FOUNDATION FOR NEGLECTED DISEASE RESEARCH

Shridhar

[Shridhar Narayanan]
 Chairman
 DIN: 06534130

Radha

[Radha Krishan Shandil]
 Director
 DIN: 06927253



Place: Bangalore
 Date: 28 August 2020

FOUNDATION FOR NEGLECTED DISEASE RESEARCH

CIN: U73200KA2014NPL076126

Statement of Income and Expenditure for the year ended 31 March 2020

(All amounts in Rupees, unless otherwise stated)

Particulars	Note	Year Ended 31 March 2020	Year Ended 31 March 2019
I. Revenue from Operations	17	57,740,514	54,017,453
II. Other Income	18	4,562,699	2,586,418
III. Total Income (I + II)		62,303,213	56,603,871
IV. Expenditure			
Research and Related Expenses		13,284,998	19,357,691
Employee Benefits Expense	19	25,813,541	21,662,023
Finance Costs	20	-	-
Depreciation and Amortization Expense	10.3	3,742	5,818
Other Expenses	21	14,241,054	10,185,223
Total Expenditure		53,343,335	51,210,755
V Surplus / (Deficit) Before Tax (III - IV)		8,959,878	5,393,116
VI Tax expenses			
(1) Current tax		-	-
Less: Mat Credit Entitlement		-	-
(2) Deferred tax		-	-
Total Tax Expense		-	-
VII. Net Surplus (after tax) for the year (V-VI)		8,959,878	5,393,116
VIII Earnings Per Share (Basic and Diluted)	28	896	539

The accompanying notes are an integral part of the financial statements.

As per our Report of even date

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

Debashis Dasgupta

[Debashis Dasgupta]
Partner
Membership No. 053681



Place: Bangalore
Date: 28 August 2020

Ashish Majumdar

[Ashish Majumdar]
Chief Financial Officer

For and on behalf of Board of Directors
FOUNDATION FOR NEGLECTED DISEASE RESEARCH

Shridhar Narayanan
[Shridhar Narayanan]
Chairman
DIN: 06534130

Radha Krishan Shandil
[Radha Krishan Shandil]
Director
DIN: 06927253



Place: Bangalore
Date: 28 August 2020

FOUNDATION FOR NEGLECTED DISEASE RESEARCH
CIN: U73200KA2014NPL076126
Cash Flow for the year ended 31 March 2020
(All amounts in Rupees, unless otherwise stated)

Particulars	Year Ended 31 March 2020	Year Ended 31 March 2019
Cash flow from Operating Activity		
Surplus before extraordinary items and Tax	8,959,878	5,393,116
Adjustments for:		
Depreciation expenses	3,742	5,818
Interest income	(1,600,766)	(2,570,907)
Operating Surplus before working capital changes	7,362,854	2,828,026
Changes in working capital		
(Increase) /Decrease in Trade Receivable	1,386,050	(1,564,491)
(Increase) /Decrease in Inventory	-	-
(Increase) /Decrease in Long Term Loans & Advance	(375,140)	(1,010,000)
(Increase) /Decrease in Short Term Loans & Advance	(1,786,340)	(4,351,975)
(Increase) /Decrease in Other Current Assets	-	412,298
Increase / (Decrease) in Trade Payable	(719,356)	(1,010,979)
Increase / (Decrease) in Non - Current Liabilities	129,211	482,836
Increase / (Decrease) in Other Current Liabilities	(14,215,689)	(13,260,795)
Cash Generate from Operations	(8,218,410)	(17,475,079)
Income Tax Paid	(121,284)	(483,352)
Net Cash from / (used in) Operating activity - (A)	(8,339,694)	(17,958,431)
Cash Flow from Investing Activity		
Capital Expenditure on Fixed Assets including Capital advance	(5,646,659)	(19,211,963)
Capital Grant Received for purchase of Fixed Assets	7,112,768	20,335,757
Investments in bank deposits (having original maturity of more than three months)	(19,635,024)	29,008,000
Interest Received	1,548,034	2,651,590
Net Cash from Investing Activity - (B)	(16,620,881)	32,783,384
Cash Flow from Financing Activity		
Proceeds from Borrowing	-	-
Net Cash from Financing Activity - (C)	-	-
Net increase /decrease in cash & cash equivalents (A+B+C)	(24,960,575)	14,824,953
Cash and cash equivalents at the beginning of the year	40,519,890	25,694,937
Cash and cash equivalents at the end of the year	15,559,315	40,519,890

Cash and cash equivalents comprise

Balances with banks		
On current accounts	7,559,315	11,009,866
Deposits with original maturity of less than three months	8,000,000	29,510,024
Total cash and bank balances at end of the year (Note-15)	15,559,315	40,519,890

Notes :

- The above Cash Flow Statement has been compiled from and is based on the Balance Sheet as at 31st March, 2020 and the related Statement of Income and Expenditure for the year ended on that date.
- The above Cash Flow Statement has been prepared under 'Indirect Method' as set out in the Accounting Standard (AS) on 'Cash Flow Statement', AS -3, Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and reallocations required for this purpose are as made by the Company.
- Figures in parenthesis represent outflows.
- The accompanying notes form an integral part of this Cash Flow Statement.
- Previous year's figures have been regrouped, wherever necessary, to conform current year's presentation.

As per our Report of even date
For MSKA & Associates
Chartered Accountants
Firm Registration No.-105047W

For and on behalf of Board of Directors
FOUNDATION FOR NEGLECTED DISEASE RESEARCH

Debashis Das Gupta

Shridhar Narayanan
[Shridhar Narayanan]
Chairman
DIN: 06534130

Ashish Majumdar

Radha Krishan Shandil
[Radha Krishan Shandil]
Director
DIN: 06927253

[Debashis Dasgupta]
Partner
Membership No 053681

[Ashish Majumdar]
Chief Financial Officer

Place: Bangalore
Date: 28 August 2020

Place: Bangalore
Date: 28 August 2020



FOUNDATION FOR NEGLECTED DISEASE RESEARCH

Notes forming part of the financial statements for the year ended 31 March 2020

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

1 Corporate information

Foundation For Neglected Disease Research ("the Company"), a not for profit company, within the meaning of Section 8 of the Companies Act, 2013, has been incorporated in India for charitable purposes. The Company conducts innovative research to discover and develop novel chemical / biological agents of synthetic or natural origin and makes available innovative, distinctive products. Scientific services, consultancy and education that contribute to improve lives of human, animal and /or plant with focus on global health diseases.

2 Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Generally Accepted Accounting Principles in India ("Indian GAAP") to comply in all material respect with the accounting standards specified under Section 133 of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention and going concern basis. The accounting policies adopted in the preparation of the financial statements are generally consistent with those followed in the previous year, except otherwise stated elsewhere.

The Company is a Small and Medium Company (SMC) as defined in the general instruction in respect of accounting standards noticed under the Companies Act, 2013. Accordingly, the Company has complied with the accounting standards as applicable to a Small and Medium Company.

All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current - non current classification of assets and liabilities.

2.2 Use of Estimates:

The preparation of the Financial Statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities, revenues, expense and the disclosure of contingent liabilities as at the date of the Financial Statements. Although, the estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring material adjustments to the carrying amounts of assets or liabilities in future periods.

2.3 Revenue Recognition

Revenue is recognised only when it can be reliably measured and it is reasonable to expect ultimate collection.

a) All donations and grants are considered as Revenue, unless the donor specifies a particular way of treating the receipt. The donations or grants are recognized as revenue as soon as the certainty of the receipt of the donation or grant is established. Unspent balance of Grants are carried forward as liability to be utilized in subsequent years.

b) Grants received, for funding specific research projects solely meant to meet expenses and costs of the research projects, are recognized as an Income in the books of account when the revenue expense and matching cost is actually incurred, on accrual basis. When such Grants are used for funding capital expenses, the value of such capital expenses are credited to a specific capital reserve account, on accrual basis, and the capital expenses/ costs are appropriately capitalized. The depreciation or amortization of such capital expenses / costs, so capitalized, is adjusted against such specific capital reserve account, appropriately.

c) Bank interest income is recognized on a time proportion basis, taking into account the amount outstanding and applicable prevailing interest rates.

d) Income from advisory / consultancy / Service contracts are recognised on accrual basis based on the related agreements. Unbilled revenues represent earnings in excess of billings as at end of the reporting period. Unearned revenues represent billing in excess of revenue recognised. Advance payment received from customers for which no services have been rendered are represented as 'Advance from customers'

2.4 Property Plant & Equipment (PPE)

a) Property Plant & Equipment (PPE) (comprising of tangible items only) are stated at cost. The cost includes the original cost of asset, freight, applicable taxes and other incidental expenses relating to the acquisition and installation.

b) Impairment loss, if any, is recognised wherever the carrying amount of the fixed asset of the cash generating unit exceeds its recoverable amount, i.e. net selling price or value in use, whichever is higher.

c) Intellectual Properties are recognized in the books, only when the patent is granted and a probable future cash flows from the same can be established. Any costs incurred prior to this are charged off in the books of account.

2.5 Depreciation

Depreciation on Tangible PPE is provided to the extent of depreciable amount on the "Written Down Value" (WDV) Method unless otherwise stated elsewhere. Depreciation is provided based on useful lives of the assets, as prescribed in Schedule II to the Companies Act, 2013, except in case of Donated Assets, as indicated against Note 37 and recognized in the books as per the principles indicated against para 2.3 (b) above. Assets costing less than Rupees 5000/- individually are fully depreciated in the year of purchase. Depreciation on additions during the year is provided on pro-rata basis. Depreciation on leasehold improvements is provided over the useful life of assets or the primary period of the lease, whichever is lower.

2.6 Inventories

a) Items of Inventories (consumables) are carried at lower of cost and net realisable value.

b) Cost of inventories is determined on the 'weighted average' basis and comprises expenditure incurred in normal course of business for bringing such inventories to their present location and includes, wherever applicable, appropriate overheads.

c) Cost of inventories (consumables) donated by any donor are recognized in the books at a value determined by the Directors, as per the best management estimate.



FOUNDATION FOR NEGLECTED DISEASE RESEARCH

Continuation on 2

2.7 Taxation

The Company has been granted exemption from Income Tax under Section 12A read with Section 12AA of Income Tax Act, 1961. Any accumulated losses are not recognized as "Deferred Tax Assets" on prudential basis.

2.8 Employee Benefits

- a) Short-term Employee benefits (i.e. benefits payable within one year) are recognised in the period in which the employee service are rendered.
- b) Presently the provisions of Employees Provident Funds and Miscellaneous Provisions Act, 1952, including rules framed thereunder and Employees State Insurance Act, 1948 are not applicable to the Company.
- c) The Company's obligation in respect of Leave Encashment, which a other long term benefit plan, is provided for based on actuarial valuation, using the Projected Unit Credit Method. Any actuarial gain or losses will be recognised in the Statement of Income and Expenditure.
- d) The Company's obligation in respect of Gratuity Plan, which a defined benefit plan, is provided for based on actuarial valuation, using the Projected Unit Credit Method. Any actuarial gain or losses will be recognised in the Statement of Income and Expenditure. The Company is contemplating to accept a proper Insurance Scheme with an Insurance Company for funding purpose.

2.9 Operating leases

Leases under which all the risks and benefits of ownership are effectively retained by the lessor are classified as "Operating Leases". Amounts due under the operating leases are charged to the Statement of Income and Expenditure, on a Straight Line Method over the lease term in accordance with the Accounting Standard 19 on "Leases", as specified under Section 133 of the 2013 Act read with Rule 7 of Companies (Accounts) Rules, 2014. Initial Direct Costs incurred specifically for Operating Leases are recognized as expense in the year in which they are incurred.

2.10 Foreign Currency Transactions and Translations

Transactions in foreign currencies of the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction. Foreign Currency Monetary items outstanding at the Balance Sheet Date are reported using the closing rate. Gain or loss resulting from settlement of such transactions and translations of monetary assets and liabilities denominated in foreign currencies are recognized in the Statement of Income and Expenditure.

2.11 Provisions and Contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions Are not discounted to their present value and are determined based on the 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. Contingent liabilities are disclosed in the Notes. Contingent Assets are neither recognized nor disclosed in these financial statements.

2.12 Cash and Cash Equivalents

Cash and Cash Equivalents include cash in hand and demand deposits with Scheduled Banks.

2.13 Earnings Per Share

Basic earnings per share are calculated by dividing surplus/deficit for the period attributable to Equity shareholders by the Weighted Average Number of Equity Shares Outstanding during the period. Partly paid equity shares are treated as a fraction of an equity shares to the extent that they are entitled to participate in dividends related to a fully-paid equity shares during the reporting period.

The weighted Average Numbers of Equity Shares are adjusted for events such as share splits and reverse share split (consolidation of shares) that have changed the numbers of equity shares outstanding.



FOUNDATION FOR NEGLECTED DISEASE RESEARCH
Notes forming part of the financial statements for the year ended 31 March 2020
(All amounts in Rupees, unless otherwise stated)

3 SHARE CAPITAL

Authorised

50,000 (31 March 2019 : 50,000) Equity Shares of Rs 10/- each

Issued, Subscribed and Paid up

10,000 (31 March 2019 : 10,000) Equity Shares of Rs 10/- each

Total

	As at 31 March 2020	As at 31 March 2019
Authorised	50,000	50,000
Issued, Subscribed and Paid up	10,000	10,000
Total	100,000	100,000

3.1 Reconciliation of the number of Equity shares

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number	Amount	Number	Amount
Balance as at the beginning of the year	10,000	100,000	10,000	100,000
Add: Share allotted during the year	-	-	-	-
Less: Shares forfeited during the year	-	-	-	-
Balance as at the end of the year	10,000	100,000	10,000	100,000

3.2 Details of Shares held by Shareholders holding more than 5 % of the aggregate shares in the Company

Name of Shareholder	As at 31 March 2020		As at 31 March 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Dr. Shridhar Narayanan	2,400	24.00	2,400	24.00
Stabaka Consulting Private Limited	1,000	10.00	1,000	10.00
Dr. Radha Krishan Shandil	2,400	24.00	2,400	24.00
Anandi Krishnan	700	7.00	700	7.00
Ashish Prabhakar	700	7.00	700	7.00
Bs Kumar	700	7.00	700	7.00
Manish Shrish Seth	700	7.00	700	7.00
Sunil Gairola	700	7.00	700	7.00
Sunil Punjabi	700	7.00	700	7.00

3.3 Rights, Preferences and Restrictions attached to Equity Shares

The Company has one class of Equity Shares having a par value of Rs 10/- per share. Each shareholder is eligible for one vote per share held and rank pari-passu.

As per Clause X of Memorandum of Association (MoA) of the Company, in the event of liquidation of the Company, the holders of Equity Shares will not be entitled to receive any of the remaining assets of the Company after distribution of the preferential amounts. The amount remaining, if any, shall be given or transferred to such Company having similar objects, subject to such conditions, as specified in MoA and other applicable laws prevailing in the land.

3.4 No number of shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date or from the date of incorporation whichever is earlier.



FOUNDATION FOR NEGLECTED DISEASE RESEARCH

Notes forming part of the financial statements for the year ended 31 March 2020

(All amounts in Rupees, unless otherwise stated)

4 RESERVES and SURPLUS	As at 31 March 2020	As at 31 March 2019
Capital Reserve	-	-
Grant From Donors (IKP Knowledge Park -2nd GC - TBC)		
Opening Balance	-	8,933
Add: Amounts credited during the year	-	-
Less: Amount transferred to the Statement of Income and Expenditure Account - Depreciation (Note 10.3)	-	8,933
Closing Balance	-	-
Donation (Other Support) From Astra Zeneca India Private Limited (Donated Assets)		
Opening Balance	2,794,595	7,594,616
Add: Amounts credited during the year (Note 37)	-	-
Less: Amount transferred to the Statement of Income and Expenditure Account - Depreciation (Note 10.3)	1,768,666	4,800,021
Closing Balance	1,025,929	2,794,595
Financial Support From Astra Zeneca AB, Sweden		
Opening Balance	2,229,749	479,245
Add: Amounts credited during the year (Note 37)	23,468,376	2,619,375
Less: Amount transferred to the Statement of Income and Expenditure Account - Depreciation (Note 10.3)	4,991,961	868,871
Closing Balance	20,706,164	2,229,749
Grant From Donors - Department of Biotechnology (DBT), BIOCARE		
Opening Balance	-	-
Add: Amounts credited during the year	1,360,774	-
Less: Amount transferred to the Statement of Income and Expenditure Account - Depreciation (Note 10.3)	263,332	-
Closing Balance	1,097,442	-
Grant From Donors (BIRAC Longitude Grant Award)		
Opening Balance	6,471	17,586
Add: Amounts credited during the year	-	-
Less: Amount transferred to the Statement of Income and Expenditure Account - Depreciation (Note 10.3)	4,098	11,115
Closing Balance	2,373	6,471
General Reserve		
Surplus / (Deficit) in Statement of Income and Expenditure		
Opening Balance	7,191,073	1,797,957
Surplus / (Deficit) for the year	8,959,878	5,393,116
Less : Appropriations	-	-
Transfer to General Reserve	-	-
Closing Balance	16,150,951	7,191,073
Total	38,982,858	12,221,888



FOUNDATION FOR NEGLECTED DISEASE RESEARCH

Notes forming part of the financial statements for the year ended 31 March 2020

(All amounts in Rupees, unless otherwise stated)

5 LONG TERM PROVISION

Leave Encashment - Unfunded [Note 2.8(c)]
 Gratuity - Unfunded [Note 2.8(d)]

Total

As at 31 March 2020	As at 31 March 2019
217,427	182,509
579,669	485,376
797,096	667,885

6 SHORT TERM BORROWINGS

Loan from Directors - Interest Free
 (Repayable on Demand)

Total

As at 31 March 2020	As at 31 March 2019
-	-
-	-



FOUNDATION FOR NEGLECTED DISEASE RESEARCH
Notes forming part of the financial statements for the year ended 31 March 2020
(All amounts in Rupees, unless otherwise stated)

7 Trade Payables

	As at 31 March 2020	As at 31 March 2019
Other than Acceptances	5,714,078	5,487,325
Other Payables	-	-
TOTAL	5,714,078	5,487,325

7.1 Details Of Dues to Micro, Small and Medium Enterprises as per MSMED Act,2006, based on information available with the Company is as under, which has also been relied upon by the auditors.

	As at 31 March 2020	As at 31 March 2019
Total outstanding dues of Micro and Small Enterprises **	-	-
Total outstanding Dues other than Micro and Small Enterprises	5,714,078	5,487,325
	5,714,078	5,487,325

** Based on the information available with the Company, there are no outstanding dues and payments made to any supplier of goods and services beyond the specified period under Micro, Small and Medium Enterprises Development Act, 2006 [MSMED Act]. There is no interest payable or paid to any suppliers under the said Act.

7.2 Disclosures under Sections 22 and 23 of Micro, Small and Medium Enterprises as per MSMED Act,2006 (MSMED Act,2006)

Sl No.	Details of Dues to Micro, Small and Medium Enterprises	2019-20	2018-19
I	The principal amount and the interest due thereon remaining unpaid to any supplier as at the year end Principal amount unpaid Interest due	-	-
II	Amount of interest paid by the buyer in terms of Section 16 of MSMED Act 2006 along with the amount of the payments made to the supplier beyond the appointed day during the year Payments made beyond the Appointed date Interest paid beyond the Appointed date	-	-
III	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
IV	The amount of interest accrued and remaining unpaid at the end of the year	-	-
V	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006	-	-

8 OTHER CURRENT LIABILITIES

	As at 31 March 2020	As at 31 March 2019
Advance from customers and others	-	-
<u>Other payables</u>		
Security Deposit From Customers	-	-
<u>With Statutory Authorities</u>		
Contribution to Fund - Provident Fund and Employees State Insurance Dues	-	-
Tax Deducted at Source	516,590	791,166
Profession tax Dues	3,000	2,000
Goods & Services Tax (GST)	45,973	63,606
<u>Others</u>		
Funds received as Grants [Notes 2.3 (a) & 37]	25,004,016	37,043,879
Fund Received for Capital Grant	-	17,716,382
Fund received as Donation [Notes 2.3 (a)]	-	2,527,955
Salary payable	1,013,432	867,630
Directors' Remuneration Payable	513,027	629,215
Audit Fees Payable	90,000	90,000
Lease Equalization Balance	518,008	172,522
TOTAL	27,704,046	59,904,355

9 SHORT TERM PROVISIONS

	As at 31 March 2020	As at 31 March 2019
(a) Provision for employee benefits		
Gratuity - Unfunded [Note 2.8(d)]	213,793	8,939
Leave Encashment - Unfunded [Note 2.8(c)]	66,546	3,162
	280,339	12,101
(b) Others		
Provision for Income Tax (Current Tax) - Note 40	-	-
Provision for Proposed Equity Dividend	-	-
Provision for Tax on Proposed Dividend	-	-
TOTAL	280,339	12,101



FOUNDATION FOR NEGLECTED DISEASE RESEARCH
Notes forming part of the financial statements for the year ended 31 March 2020
(All amounts in Rupees, unless otherwise stated)

10 TANGIBLE ASSETS (Current Year)	GROSS BLOCK					DEPRECIATION				NET BLOCK		
	Cost/ Valuation as at 01 April 2019	Additions during the year	Sales during the year	Other Adjustment during the year	User Transfers	Cost/ Valuation as at 31 March 2020	As at 01 April 2019	For the Year	On Sales/ Adjustment during the year	User Transfers	As at 31 March 2020	As at 31 March 2019
Own Assets												
Office Equipments	94,253	147,637	-	-	-	241,890	54,756	77,787	-	-	109,347	39,497
Furniture & Fixtures	178,720	818,028	-	-	-	996,748	65,474	187,010	-	-	744,264	113,246
Computers and Laptops	651,333	635,666	-	-	-	1,286,999	352,695	462,530	-	-	471,774	298,638
Printer	10,690	-	-	-	-	10,690	8,920	-	-	-	1,770	1,770
UPS	180,900	-	-	-	-	180,900	128,576	33,138	-	-	19,186	52,324
Plant and Machinery CO2 Incubator (Note: 38)	-	1,360,774	-	-	-	1,360,774	-	263,332	-	-	1,097,442	-
Leasehold Improvements - Civil Works (Note: 2.5)	-	5,662,220	-	-	-	5,662,220	-	920,837	-	-	4,741,383	-
Plant and machinery/ Laboratory Equipments	22,744,353	16,138,825	-	-	-	38,883,178	18,248,676	5,050,265	-	-	15,584,237	4,495,677
Sub total (A)	23,860,249	24,763,150	-	-	-	48,623,399	18,859,097	6,994,899	-	-	22,769,403	5,001,132
Assets Given On Operating Lease												
Plant and Machinery												
Sub total (B)												
Total (A+B)	23,860,249	24,763,150	-	-	-	48,623,399	18,859,097	6,994,899	-	-	22,769,403	5,001,132
Previous Year	21,315,532	2,544,717	-	-	-	23,860,249	13,190,290	5,668,808	-	-	5,001,132	8,125,241



FOUNDATION FOR NEGLECTED DISEASE RESEARCH
Notes forming part of the financial statements for the year ended 31 March 2020
(All amounts in Rupees, unless otherwise stated)

10 TANGIBLE ASSETS (Previous Year)	GROSS BLOCK					DEPRECIATION				NET BLOCK		
	Cost/ Valuation as at 01 April 2018	Additions during the year	Sales during the year	Other Adjustment during the year	Other Transfers	Cost/ Valuation as at 31 March 2019	As at 01 April 2018	For the Year	On Sales/ Adjustment during the year	Other Transfers	As at 31 March 2019	As at 31 March 2018
Own Assets												
Office Equipments	87,363	6,890	-	-	-	94,253	23,263	31,493	-	-	54,756	64,100
Furniture & Fixtures	133,997	44,723	-	-	-	178,720	29,593	35,882	-	-	65,474	104,404
Computers and Laptops	384,001	267,332	-	-	-	651,333	167,300	185,395	-	-	352,695	216,701
Printer	10,690	-	-	-	-	10,690	7,465	1,455	-	-	8,920	3,225
UPS	180,900	-	-	-	-	180,900	38,704	89,872	-	-	128,576	142,196
Plant and Machinery	20,518,581	2,225,772	-	-	-	22,744,353	12,933,965	5,324,711	-	-	18,248,676	7,594,615
Sub total (A)	21,315,532	2,544,717	-	-	-	23,860,249	13,190,290	5,668,808	-	-	18,859,097	8,125,241



FOUNDATION FOR NEGLECTED DISEASE RESEARCH
Notes forming part of the financial statements for the year ended 31 March 2020
(All amounts in Rupees, unless otherwise stated)

Continuation on 10

INTANGIBLE ASSETS (Current Year)	GROSS BLOCK				AMMORTISATION				NET BLOCK	
	Cost/ Valuation as at 01 April 2019	Additions during the year	Sales during the year	Adjustment during the year	Cost/ Valuation as at 31 March 2020	As at 01 April 2019	For the Year	On Sales/ Adjustment during the year	As at 31 March 2020	As at 31 March 2019
(Acquired Items) Patents, Trademarks and Intellectual Properties (Note 10.2 below)	-	-	-	-	-	-	-	-	-	-
Software	74,658	66,000	-	-	140,658	25,951	36,901	-	77,806	48,707
Total	74,658	66,000	-	-	140,658	25,951	36,901	-	77,806	48,707
Previous Year	-	74,658	-	-	74,658	-	25,951	-	48,707	-

10.1 Capital Work-in-Progress

Particulars	31 March 2020	31 March 2019
Opening Balance	17,716,382	-
Add: Additions during the year	1,927,396	17,716,382
Less: Capitalised during the year	19,643,778	-
Closing Balance	-	17,716,382

Note: Capital Work in Progress has been capitalised after the receipt of the Consent For Operation(CFO) from Karnataka State Pollution Control Board.

10.2 Patents & Intellectual Properties

10.2.1 The Company currently owns, on joint basis with Global Alliance for TB Drug Development, Inc. (TB Alliance, US), the granted patents and intellectual properties ("Joint IP") in respect of discovery and development of DprE1 inhibitors for treatment of tuberculosis, pursuant to Collaboration Agreement dated 8 June 2017. In terms of the said agreement, TB Alliance, US is bearing the costs for prosecuting and maintaining all the patents covering the Joint IP in global territories outside India. The Company is supposed to bear all costs in India. Furthermore, TB Alliance US is also funding the project through Research and Development and its Commercial Partners to make the product available and affordable throughout the world. For 2019 calendar year, an amount of USD 245,203 (INR - 18,145,022 at ROE 74) have been spent by TB Alliance US for the project and Joint IP. In view of non-ascertainment of probable future cash flows in respect of this Joint IP, the same has not been reckoned in these accounts.

10.2.2 The Company has also been assigned, vide Assignment Agreement dated 16 March 2016, by Piramal Enterprises Limited (PEL), its shares of 50 percent rights in Patent Applications in respect of -

- (a) Antibiotic Compounds; and
 - (b) Microparticle Formulation for Pulmonary Drug Delivery of Anti-infective Molecule for treatment of Infectious Diseases,
- jointly owned with National Centre for Polar and Ocean Research (NCPOR). Under the said agreement, the Company will share equally the responsibilities of filing, prosecution and maintenance of the said Patents.

10.2.3 The Company has been granted an Indian Patent for "Compounds and methods for treating tuberculosis". The Company owns the said Patent wholly and is responsible for filing, prosecution and maintenance of the said Patent.

10.2.4 Pending granting of the Patents as indicated in Notes 10.2.2 and 10.2.3 above and such other filed Patents / Intellectual Properties, the valuation has not been envisaged by the management. The same will be undertaken and recognized in the books, when the probable future cash flows can be established based on granting by the respective Patents and Trademarks Offices.

10.3 Details of Depreciation and Amortisation Expenses

	Year Ended 31 March 2020	Year Ended 31 March 2019
Depreciation of Tangible Assets	6,994,899	5,668,808
Amortisation of Intangible Assets	36,901	25,951
Total Depreciation	7,031,800	5,694,759
Less: Transfer from Capital Grant Accounts (Note 2.3 (b))	7,028,058	5,688,941
Net Depreciation Charged to Statement of Income and Expenditure	3,742	5,818



FOUNDATION FOR NEGLECTED DISEASE RESEARCH

Notes forming part of the financial statements for the year ended 31 March 2020

(All amounts in Rupees, unless otherwise stated)

11 DEFERRED TAX ASSETS/ (LIABILITIES)
(Note 40)

Timing Difference resulting in assets mainly on account of :

Difference between net book value of depreciable Capital Asset as per books vis-à-vis written downvalue as per Income Tax.

Total

As at 31 March 2020	As at 31 March 2019
-	-
-	-
-	-
-	-
-	-

12 LONG TERM LOANS AND ADVANCES

Unsecured Considered Good

Capital Advances

Security Deposits

Balance with Government Authorities

Employee Advances

Others

Total

As at 31 March 2020	As at 31 March 2019
-	520,000
2,945,140	2,570,000
-	-
-	-
-	-
2,945,140	3,090,000

13 INVENTORIES

Consumables (Note 2.6)

Total

Total

As at 31 March 2020	As at 31 March 2019
-	-
-	-

Note: As certified by the management.



FOUNDATION FOR NEGLECTED DISEASE RESEARCH

Notes forming part of the financial statements for the year ended 31 March 2020

(All amounts in Rupees, unless otherwise stated)

14 TRADE RECEIVABLES

Unsecured, Considered Good

Outstanding for a period exceeding six months from the date they are due for payment

Others

Total

As at 31 March 2020	As at 31 March 2019
-	-
259,746	1,645,796
259,746	1,645,796

15 CASH AND CASH EQUIVALENTS

Cash in hand - As certified by the management

Balances with Scheduled Banks :

- On Current Accounts

HDFC Bank Ltd - 50200007626651

HDFC Bank Ltd - 50200008168382

HDFC Bank Ltd - 50200014923888

HDFC Bank Ltd - 50200023620476

HDFC Bank Ltd - 50200024461931

HDFC Bank Ltd - 50200026631958

HDFC Bank Ltd - 50100281213842 DBT BIOCARE

ICICI Bank Ltd-231801000288

ICICI Bank Ltd -231805000155

ICICI Bank Ltd -231805000180

ICICI Bank Ltd-231805000190

ICICI Bank Ltd-231805000206- MMV-VVX

ICICI Bank Ltd.-231805000288 BIRAC-SBIRI-NO LIEN

ICICI Bank Ltd-231805000341- Birac-Pace NIO NO LIEN

Total

Deposits with original maturity of less than three months

Total

Other bank balances

-Current maturities

Deposits with original maturity for more than 12 months but less than 12 months from reporting date

Total current maturities of other bank balances

-Non-current maturities

Deposits with maturity date after 12 months from reporting date

Deposits with original maturity for more than 3 months but less than 12 months

Total gross non current maturities of other bank balances

Total

As at 31 March 2020	As at 31 March 2019
-	-
474,689	358,350
28,766	67,061
-	-
-	-
5,838,541	3,541,588
-	-
4,048	-
3,374	752,089
581,466	662,967
2,948	5,968
21,485	4,108,325
87,756	281,249
514,687	1,232,269
1,555	-
7,559,315	11,009,866
8,000,000	29,510,024
15,559,315	40,519,890
-	-
6,635,024	-
6,635,024	-
-	-
10,100,000	-
2,900,000	-
13,000,000	-
35,194,339	40,519,890

16 SHORT -TERM LOANS AND ADVANCES

Loans and advances to related party

Claims Receivable

Unsecured, Considered Good

Other Loans and Advances

Unsecured, Considered Good

Advance Income Tax, including Taxes Deducted at Source (TDS)

Advance to Government Authorities-Goods & Services Tax (GST)

Interest Accrued on Fixed Deposit

Advance to Suppliers/ Other Parties

Prepayments/Prepaid Expenses & Others

Employee Advances, including travelling advances

Total

As at 31 March 2020	As at 31 March 2019
-	-
-	-
1,149,376	1,028,092
9,818,520	7,856,577
324,164	271,432
342,882	633,116
350,634	380,054
346,407	202,356
12,331,983	10,371,627



FOUNDATION FOR NEGLECTED DISEASE RESEARCH

Notes forming part of the financial statements for the year ended 31 March 2020

(All amounts in Rupees, unless otherwise stated)

17 REVENUE FROM OPERATIONS

Grants [Note-44(a)]
Advisory/Consultancy

Total

Other Operating Revenue:

REVENUE FROM OPERATIONS

	Year Ended 31 March 2020	Year Ended 31 March 2019
Grants [Note-44(a)]	47,915,221	44,002,885
Advisory/Consultancy	3,494,302	3,718,108
	6,330,991	6,296,460
Total	57,740,514	54,017,453
Other Operating Revenue:	-	-
	57,740,514	54,017,453
REVENUE FROM OPERATIONS	57,740,514	54,017,453

18 OTHER INCOME (Non-operating Income)

Interest From Bank Deposits (Gross)
Income form Donations
Other Non-Operating Income
Interest on Income Tax Refund
Miscellaneous

Total

	Year Ended 31 March 2020	Year Ended 31 March 2019
Interest From Bank Deposits (Gross)	1,600,766	2,570,907
Income form Donations	2,929,361	-
Other Non-Operating Income	-	-
Interest on Income Tax Refund	32,572	-
Miscellaneous	-	15,511
Total	4,562,699	2,586,418

19 EMPLOYEE BENEFITS EXPENSE

Salaries, Wages, Bonus etc
Contribution to Provident, other Funds
Leave Encashment
Gratuity
Staff Welfare Expenses

Total

	Year Ended 31 March 2020	Year Ended 31 March 2019
Salaries, Wages, Bonus etc	25,058,245	20,924,900
Contribution to Provident, other Funds	-	-
Leave Encashment	225,473	185,671
Gratuity	299,147	306,109
Staff Welfare Expenses	230,676	245,343
Total	25,813,541	21,662,023



FOUNDATION FOR NEGLECTED DISEASE RESEARCH

Notes forming part of the financial statements for the year ended 31 March 2020

(All amounts in Rupees, unless otherwise stated)

20 FINANCE COST	Year Ended 31 March 2020	Year Ended 31 March 2019
Interest Expenses	-	-
Other Borrowing Cost	-	-
TOTAL	-	-
21 OTHER EXPENSES	Year Ended 31 March 2020	Year Ended 31 March 2019
Power and Fuel Expenses(Electricity Expenses)	792,895	-
Rent [Note-44(b)]	2,939,736	2,019,022
Rates and Taxes	91,244	684,383
Repairs and Maintenance :	-	-
- Buildings	443,109	-
- Plant and Machinery	633,013	566,975
- Others (Computers)	245,626	5,584
Installation Charges	4,000	-
Travelling Expenses	943,588	988,309
Travelling Expenses - Foreign	814,348	660,227
Conveyance	424,649	567,070
Legal and Professional Fees (Note 21.1)	1,937,739	2,534,406
Audit Fees (Note 21.2)	130,000	125,000
Transportation Hire Charges	761,609	99,541
Communication expenses - telephone, internet etc	68,414	34,968
Debts and Other Debits Written-Off	157,681	-
<u>Miscellaneous expenses</u>		
Advertising	-	-
Stationery and Printing	190,677	108,934
Bank Charges	33,650	13,103
Foreign gain or loss	52,695	48,639
Newspapers, Books and periodicals	33,624	8,371
Postage & Courier	247,142	628,617
Interest on statutory dues	62,003	15,866
Office Maintenance Charges	2,222,856	-
- Office Maintenance Expenses	-	-
- Service Charges (House Keeping etc)	-	32,338
Registration Charges	17,794	51,124
Insurance Expenses	421,949	577,031
General Expenses	70,423	92,278
Seminar, Board meeting and Subscription Expenses	170,590	268,953
Website Maintenance and Promotion Expenses	330,000	54,484
Total	14,241,054	10,185,223
21.1 Legal & Professional Expenses include :		
Professional Fees	1,184,129	1,425,840
Legal fees	593,610	901,566
Accounting and other Charges	160,000	207,000
	1,937,739	2,534,406
21.2 Amount paid /payable to Auditors **		
- Audit Fees	100,000	100,000
- Tax Audit Fees	-	-
- Limited Reviews	-	-
- Others (Certificates, etc.)	25,000	25,000
- Expenses reimbursed / reimbursable	5,000	-
	130,000	125,000

** Excluding GST



FOUNDATION FOR NEGLECTED DISEASE RESEARCH

Notes forming part of the financial statements for the year ended 31 March 2020
(All amounts in Rupees, unless otherwise stated)

	As at 31 March 2020	As at 31 March 2019
22 Impact of any pending litigation (Contingent Liabilities) in respect of -		
a. Income Tax Matters under dispute [Net of payments Rs Nil lacs (Previous year Rs. Nil lacs)]	-	-
b. Service Tax / any Indirect Taxes, disputed by the Management for which appeals will be preferred	-	-
c. Pending litigations apart from items mentioned in a and b above	-	-

	As at 31 March 2020	As at 31 March 2019
23 Bank Guarantees outstanding	-	-
24 Guarantee given on behalf of the Company by Directors	-	-
25 Capital Commitments [Net of advance- Rs Nil (Previous Year Rs Nil)]	-	2,274,327

26 Remuneration paid/payable to Chief Executive Officer [Key Managerial Personnel (KMP)] - included under various expense heads.

	Year Ended 31 March 2020	Year Ended 31 March 2019
i) Salary #	6,689,059	6,266,434
ii) Monetary value of Perquisites/ Benefits	-	-
Total	6,689,059	6,266,434

#Excludes Contribution to gratuity fund and provision for leave encashment as separate figures are not ascertainable for the managerial personnel.

27 Leases

27.1 The Company has entered a long term non-cancellable operating lease in respect of a premises located at Doodballapur Bangalore for an initial term of five years with effect from 1 February 2018 (renewable for another additional five years). Apart from agreed monthly rent, The Company was supposed to pay an advance of Rs 25 Lacs as security deposit, out of which Rs 15 lacs is been paid at the time of execution of lease deed and balance amount of Rs 10 lacs is paid on the date of the rent commencement.

Future minimum Lease Payment - (Rupees in Lakhs)

Not later than One Year

Later than one year and not later than five years

Later than five year

	Year Ended 31 March 2020	Year Ended 31 March 2019
Not later than One Year	20.96	19.15
Later than one year and not later than five years	48.04	67.86
Later than five year	-	-

27.2 The Company had entered an agreement in an earlier year for another premises under cancellable terms without any locking period, for which no commitments like rent & electricity etc were payable.

27.3 The Company has entered agreements for warehousing facilities under cancellable terms, without any locking period.



FOUNDATION FOR NEGLECTED DISEASE RESEARCH
Notes forming part of the financial statements for the year ended 31 March 2020
(All amounts in Rupees, unless otherwise stated)

28 Earnings Per Share (EPS) - The numerators and denominators used to calculate Basic EPS:

	Year Ended 31 March 2020	Year Ended 31 March 2019
Surplus after Tax	8,959,878	5,393,116
28.1 Basic		
i. Number of Equity Shares at the beginning of the year	10,000	10,000
ii. Number of Equity Shares issued during the year	-	-
iii. Number of Equity Shares at the end of the year	10,000	10,000
iv. Weighted average number of Equity Shares outstanding during the year	10,000	10,000
v. Nominal Value of each Equity Share (Rs)	10/-	10/-
Basic Earnings per Share (Rs.)	896	539

The Company is a Section 8 "Not for Profit" Charitable Company.

It does not distribute any dividends to its Shareholders. However, for the compliance of AS - 20, the Company has computed the aforementioned EPS.

29 Related Party Disclosure in keeping with Accounting Standard 18 on "Related Party Disclosures".

A) List of Related Parties and their relationship

Ultimate Holding Company (Entity having entire control over the Company)	Nil
Subsidiaries	Nil
Key Management Personnel (KMP)	- Dr. Shridhar Narayanan - Chairman and Chief Executive Officer - Dr. Radha Krishan Shandil - Director - Mr. Ashish Majumdar - Chief Financial Officer
Relatives of KMP	Dr. Parvinder Kaur - Consultant (upto 31 March-2018) Dr. Parvinder Kaur - Principal Scientist (w.e.f. 01 April-2018)

Enterprise over which KMP's and/or their relatives are able to exercise significant influence (with whom transactions have taken place during the year)

NIL

Enterprise having significant control over the Company, where a Director is interested. Stabaka Consulting Private Limited (upto 24th June 2018)

B) Disclosure of transactions and Outstanding balance for the year ended 31 March, 2020.

Particulars	Year Ended 31 March 2020	Year Ended 31 March 2019
I) Ultimate Holding Company		
a) Rendering of Services (Service Income)	-	-
b) Year-end Balances		
i) Receivables	-	-
ii) Shares held by the Holding Company	-	-
iii) Investments	-	-
iv) Payables	-	-
II) Key Management Personnel		
a) Remuneration #	13,724,021	12,784,178
b) Reimbursement of Expenses	578,147	845,043
c) Foreign Travel advance	179,709	201,540
d) Unsecured Loan Taken	-	-
d) Year end Balance - Unsecured Loans	-	-
d) Year end Balance - (Payable) / Receivables (salary outstanding)	(361,624)	(994,085)
# Excludes contribution to gratuity fund and provision for leave encashment, as separate figure are not ascertainable for the managerial personnel.		
III) Relatives		
a) Consultancy Charges	-	-
b) Remuneration #	2,200,012	1,957,152
c) Reimbursement of Expenses	358,965	141,353
d) Foreign Travel advance	-	-
e) Year end Balance - (Payable) / Receivables	(137,975)	(139,328)
# Excludes contribution to gratuity fund and provision for leave encashment, as separate figure are not ascertainable for the managerial personnel.		
IV) Enterprise having Significant Influence Over the Company, where a Director is interested.		
a) Management Consulting Charges	-	338,580
b) Reimbursement of Expenses incurred related to the Company*	-	165,163
c) Shares held	-	10,000
d) Year end Balance - (Payable) / Receivables	-	-
Note: * Inclusive of Service Tax/GST		



FOUNDATION FOR NEGLECTED DISEASE RESEARCH

Notes forming part of the financial statements for the year ended 31 March 2020

(All amounts in Rupees, unless otherwise stated)

	Year Ended 31 March 2020		Year Ended 31 March 2019	
	Value	%	Value	%
30 Value of Imported and Indigenous Consumption of Consumables	238,548	2	1,031,670	5
Indigenous	13,046,450	98	17,754,485	95
	13,284,998	100	18,786,155	100
31 C.I.F. Value of Imports :				
(a) Consumables	238,548		1,031,670	
(b) Spare Parts	-		-	
(c) Capital Goods	-		-	
32 Expenditure in Foreign Currency : (on accrual basis)				
Travelling	814,348		660,227	
Technical Know-how Fees	-		-	
Postage and courier	-		16,665	
33 Earnings in Foreign Exchange (Remittance received) on account of				
(a) Consultancy Fees	76,801		85,962	
(b) Grants received from a Foreign Donor	35,132,500		41,667,500	
(c) Income from service contracts	5,932,391		6,296,458	
(d) Dividend	-		-	
34 Remittance in Foreign Currency on account of Dividend to Non-Resident Shareholders				
<u>On Equity Shares :-</u>				
(a) Amount Remitted	-		-	
(b) Number of Non - Resident Shareholders	-		-	
(c) Number of Shares held by them	-		-	
(d) Dividend for the year	-		-	



FOUNDATION FOR NEGLECTED DISEASE RESEARCH

Notes forming part of the financial statements for the year ended 31 March 2020

(All amounts in Rupees, unless otherwise stated)

35 a) Defined Contribution Plan

Amount Recognised in the statement of Income and Expenditure Account

2019-20	2018-19
-	-

b) Defined Benefit Plan

The gratuity liability is determined on the basis of actuarial valuation using projected unit credit method. The method recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation

Particulars

Discount rate (per annum)
 Salary growth rate (per annum)
 Mortality Rate [% of IALM 2012-14 (Previous Year-IALM 2006-08)]
 Retirement age
 Attrition/Withdrawal rate based on age(per annum)
 Upto 30 Years
 31 - 44 Years
 Above 44 Years

2019-20	2018-19
6.80%	7.70%
8%	8%
100%	100%
60 Years	60 Years
3%	3%
2%	2%
1%	1%

The discount rate assumed is 6.80% per annum (Previous Year 7.7 %) which is determined by reference to market yield at the Balance Sheet date on government bonds. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.



FOUNDATION FOR NEGLECTED DISEASE RESEARCH
CIN: U73200KA2014NPL076126
Notes forming part of the financial statements for the year ended 31 March 2020
(All amounts in Rupees, unless otherwise stated)

- 36 a) The Company did not have any long term contracts, including derivative contracts, for which there were any material foreseeable losses.
b) There are no amounts which are required to be transferred to the Investor Education and Protection Fund (IEPF) by the Company.
- 37 The Company has entered a "Letter Agreement" dated 30 October 2014 [hereinafter referred to as "Arrangement" with Astra Zeneca AB, Sweden (AZ)]. Pursuant to such arrangement, AZ will provide "financial and other support" (herein after referred to as "AZ Support") to the Company, being a charitable company established for the purpose of discovering therapies and diagnostics in the field of Neglected Diseases, under certain other terms and conditions, stipulated therein, which are being met by the Company from time to time.

Financial Support:

As per the Arrangement, the following financial support has been committed by AZ, subject to condition precedent to be met or being met from time to time.
Year 1: USD 500,000 to be paid on the effective date as per arrangement and USD 500,000 to be received on confirmation of the conditions stipulated by the arrangement, being met.
Year 2: USD 700,000 to be paid in two equal instalments
Year 3: USD 500,000 to be paid in two equal instalments
Year 4: USD 500,000 to be paid in two equal instalments.
The Company has received the full financial support as of this date.
Further grant amount of USD 5,00,000 will become due in the financial year 2020-21 (subject to fulfilling of conditions as per agreement). Based on the above, the financial statements have been prepared on going concern basis and no adjustments have been carried out to the carrying value of assets and liabilities.
The Company has credited the grant-in-cash, so received, to Grant Account under the Account head "Other Current Liabilities", to the extent unutilised.

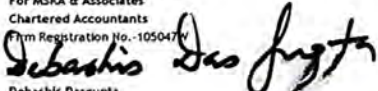
Other Support :

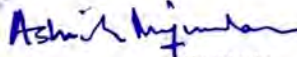
Pursuant to the Arrangement along with a supportive Agreement with Indian Affiliate Astra Zeneca India Private Limited, wholly owned Subsidiary of AZ (AZIPL) dated 2 January 2015, AZ has donated assigned equipment valued at USD 324,000/- belonging to Astra Zeneca India Private Limited (AZIPL). These equipments have been physically taken possession by the Company on February 28, 2017, as approved under Foreign Contribution (Regulation) Act, 2010.

Net Book Value appeared in the books of AZIPL amounted to Rs. 20,518,581 and received by the Company, has been recognized in the books initially as "Capital Work-in-Progress" in the earlier year with corresponding credited to Specific Grant Account. reflected under the head "Reserves and Surplus". The Company had capitalized the same in an earlier year and depreciated the said donated assets with a remaining useful lives of three years, which the management feels to be the best as per its prudence.

- 38 As per the Department of Biotechnology (DBT), GOI Order no. - BT/PR/30500/BIC/101/1110/20-18 dated 11th March 2018, The Company has received a capital grant of Rs. 13.61 Lakh for the purchase of Incubator Co2 Shalable System. Such asset as per the terms & Condition will be the property of Government of India and should not without the prior sanction of DBT be disposed or incumbered or utilized for the purpose other than those for which grant has been sanctioned. In terms of the said conditions, the asset has been capitalised in the books and depreciated on Straight line basis over the period of the grants of 3 year ending on 30th June 2022.
- 39 The Company has availed various goods and services on voluntary "pro-bono" basis from various parties the value of which is presently not ascertainable and hence not reflected in these accounts. In the opinion of the Directors, the value of the same is not material.
- 40 The Company has received tax exemption under Section 12A of Income Tax Act, 1961 during an earlier year and hence the deferred taxation has not being recognized at a Balance Sheet Date.
- 41 The Company is registered under Section 8 of the Companies Act, 2013.
The Board of Directors are making an unreserved statement as to compliance of the applicable provisions of the new Companies Act, 2013 and those applicable Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules 2014, such other applicable laws of the land and enforceable agreements / contracts, to the extent possible.
- 42 The Company has a policy of physical verification of its assets over a period of three years. Pursuant to the same, the Company has verified the Plant & machinery/Laboratory Equipments Item.
- 43 In the opinion of the Board, the Current assets and loans and advances i.e. including the Input credit of GST are approximately of the value stated, if realized in the ordinary course of business, except otherwise stated. The provision for all the known liabilities is adequate and not in excess of amount considered reasonably necessary.
- 44 a) Grant Revenues include Rs. 35,02,809/- (Previous Year- Rs. NIL) relating to adjustments in respect of earlier year.
b) Rental Expenses include prior year adjustments of Rs. 1,95,221/- (Previous Year- Rs. NIL)
- 45 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 May 31, 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 there is no impact which is required to be recognised in the financial statements. Accordingly, no adjustments have been made to the financial statements.
- 46 a) Figures for the previous year have been regrouped/rearranged & reclassified wherever found necessary to conform with the current year's presentation.
b) The financial statements were authorized for the issue by the Board of Directors on August 28, 2020.

Signatures to Notes '1' to '46'

As per our Report of even date
For MSKA & Associates
Chartered Accountants
Firm Registration No.-105047

Debashis Dasgupta
Partner
Membership No. 053681


Ashish Majumdar
Chief Financial Officer

For and on behalf of Board of Directors
FOUNDATION FOR NEGLECTED DISEASE RESEARCH


Shridhar Harayanan
Chairman
DIN: 06534130

Radha Krishan Shandil
Director
DIN: 06927253



Place: Bangalore
Date: 28 August 2020

Place: Bangalore
Date: 28 August 2020

