INDIES PHARMA
JAMAICA LIMITED

Member of Bioprist Group

Caring for the Nation's Health

www.indiespharma.com

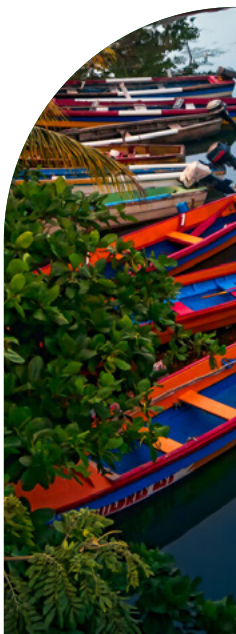


ANNUAL REPORT
2020

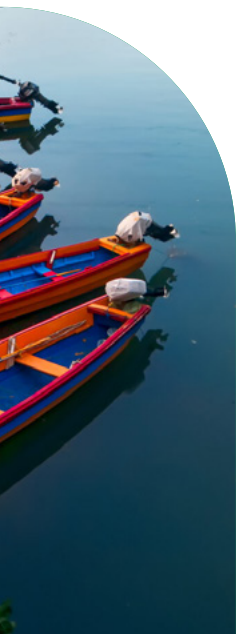












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The Company

Jointly founded by a medical doctor, Dr. Guna Muppuri, and his wife Mrs. Vishnu Muppuri, Indies Pharma Jamaica Limited was incorporated in Jamaica on 09 December 2003 as a Pharmaceutical Distribution Company.

The Company is headquartered in a commercial complex in Freeport, Montego Bay, Jamaica. Its retail unit, the Trident Pharmacy business is located nearby in Sam Sharpe Square, Montego Bay, Jamaica. Having sold its first pharmaceutical on 18 April 2005, the company distributes over 150 prescription and non-prescription or 'over the counter' generic pharmaceutical products for Bioprist Holdings Limited under the 'Bioprist Pharmaceuticals' brand in addition to the new line of products being sold under Orthopedic and Joint Rehabilitation segment.

The Company currently services customers across all 14 parishes of the island, including over 400 pharmacies, private and public hospitals and government agencies including the National Health Fund as well as medical practitioners, and directly to individual end users. The Company strives to provide unique, quality, and affordable pharmaceutical and complementary products, and to maintain efficient and effective product distribution across the island. It also aims to be a leading and trusted pharmaceutical distribution company with strong customer relationships, a commitment to brand and product development, and a large and reliable distribution network.

The Company continues to be managed by its founding members and the newly appointed Non- Executive Directors, with the support of a professional team of approximately 60 Plus employees.



Caring for the Nation's Health

Our Vision

- Making Medicines available & affordable for everyone.
- Creating stable employment opportunities in Jamaica.

Our Objectives

- Welfare of the 'common man' and the 'Nation' in its entirety by way of the role of the (Generic) Pharmaceuticals on our economy.
- To be an equal opportunity company geared towards growth & development of 'everyone' committed in its interests" while trying to be a strategic partner for the major manufacturers & suppliers.
- To become a one-stop shop for the majority of pharmaceutical, health care, consumer & hygiene products and envisage to be a topnotch promoter & distributor focusing towards maintaining a long-term presence in the field of promotion & distribution in Jamaica for now and the Caribbean region later.

Essence

INDIES PHARMA' **is trying to change the old saying, 3 Basic Necessities "Food, Shelter & Clothing" to the new one, 4 basic necessities by adding – "Medicine" to it. Medicine, always being the most crucial element to mankind always dictates the quality & productivity of the human life.**

Mission Statement



TO BRING SOMETHING MEANINGFUL & GOOD TO THIS 'BLESSED NATION' in its entirety in the fields of Health care (by sourcing the medicines of highest quality and efficacy) & Economy (by creating more employment) without compromising with the values set by the Governmental regulatory bodies.

TO PROVIDE THE HIGHEST LEVEL OF SATISFACTION & TRUST to the "Prescriber, Dispenser, Stocking client & the End user (Physician, Pharmacist, Owners of the business & the Patient))" by providing the Nation with the Produce (Medicines) of highest quality and efficacy.

TO CREATE A COMMON & A VIABLE PLATFORM FOR OUR PRINCIPALS to Promote & Distribute their produce in the Local & Regional market while being Loyal, Dedicated & Committed to the mutual best interests.

TO BE COMMITTED TO BUILD A HEALTHY NATION by introducing innovative & affordable medicines that would contribute to the better health of our fellow citizens through our Qualified, Competent & highly Motivated team while remaining Dynamic, Flexible, & Competitive".

Organizational Structure







Founder & Chairman's Message

Mitigating The Pandemic Crisis With Undeterred Growth Objectives

On behalf of the Board of Directors of 'Indies Pharma Jamaica Limited', I am pleased to report on the performance of the company for the financial year that ended on 31 October 2020, two years, and ten weeks after we got listed on the Junior Stock Market of the Jamaica Stock Exchange.

During this year, like everybody we had to embrace the harsh reality of the ongoing Novel Corona Virus pandemic that has caused an irreparable and a devastating effect on the world economy and the functional infrastructure of healthcare all over the world. Despite the ongoing challenges due to COVID, we successfully diversified our product offerings by launching a totally new line of products targeting the orthopedic and joint rehabilitation segment.

The relatively recession proof pharmaceutical business gave us the strength to register a steady growth with year-on-year increase in our revenues and therefore, the net profits. The support received from our customers and the valiant employees of Indies Pharma was second to none during this pandemic.

Despite the challenges faced due to COVID-19 pandemic, during the 2019-20 financial year, INDIES recorded a 5% or $36.5 million increase in the gross revenues from $725.45 million in 2019 to $765.95 million in 2020. Indies Pharma's strategic business management recorded a sizable surge in its net profits which increased to $206.65 million, representing a 57.7% per cent jump in 2020 when compared to 2019 and the comprehensive income was at $278.06 million registering a 104.35% increase over the prior year.

Our unwavering approach to the business was in tandem with our prior year forecast "Investing into R & D to yield long-term growth and profits". The company made a very bold move and successfully raised a growth capital of $805Million from the market. 50% of the bond proceeds allowed the company to acquire 3 acres of prime real estate in Ironshore, Montego Bay on the Elegant corridor delivering an instant capital gain of more than $70 million. The balance of the proceeds was allocated towards our long-term growth plans, development, and approval process of two abbreviated new drugs at the United States Food & Drug Administration. The goal is to commercialize the two drugs on the US market by 2023, targeting the current market cap of US$740Mil for the two drugs under development.

Substantiating my above statement, we are well poised for stable growth while capitalizing on the opportunities created by COVID in the field of healthcare.

On behalf of the Board and the Management, I take this opportunity to thank again our most valued customers, regulatory agencies, shareholders, staff of Indies Pharma and Trident Pharmacy for their unconditional support and believing in us and our products and finally, for being part of this critical journey during the pandemic times.

Finally, let me also use this opportunity to thank the members of the Board and the departed members on the prior board, founding members for the leadership and guidance which they have provided and for their continued contribution towards planning another successful year ahead for the Company.

Sincerely,



Dr. GUNA MUPPURI
Founding Chairman & CEO

Co-Founder & COO's Message

Strategic Risk Management & Consistent Growth



2020 being a stormy year for the entire world, INDIES PHARMA was no exception to the havoc created by the pandemic. As the captains of the ship, we continued to demonstrate our ability to strategically handle the unprecedented risks surfaced during the pandemic crisis. We were able to pass the litmus test of the time by successfully steering the company towards consistent growth and performance.

The company's net profit numbers tell a similar story, with the $39.6 million in the final quarter equaling pre-COVID profitability at January this year, although not achieving the net profit heights of $69.2 million in the second quarter to April 30 or the almost $51 million in the third quarter to July. Current full-year net profit of $206 million is also a sweet spot for Indies Pharma, having grown 57.7% per cent over the $136 million made in year 2019.

The COVID crisis negatively impacted the investor mindset and therefore our stock price which closed at $2.69c per share on the October 30th, 2020 compared to $3.16c per share on the 31st October 2019. Today, I am pleased to report that 2019-2020 financial year has been one of the reflections of our diversified approach to the business. Despite COVID crises and escalating logistics cost and lead time delays, with our stringent management in place slashed our administrative and other expenses by $18.4 million this year adding to our bottom-line growth.

The company also has a significantly healthier asset base, boosted to $1.7 billion, a 128 per cent improvement over last year. This was aided by the acquisition of three acres of prime real estate along the North Coast Highway at Ironshore in Montego Bay, part of the so-called 'elegant corridor', where we plan to build its new headquarters and a multipurpose complex, slated for completion within the next three years. In the 3rd Quarter the Company successfully raised a debt of $805 million as the growth capital which was optimally used to invest into 'Research & Development' of new products resonating with our long-term growth objectives in addition to acquisition of prime real estate in Montego Bay to support the company's ever growing future physical capacity requirements. Some $400 million was invested in the land acquisition earlier this year with funds raised from a $805-million, five-year private bond placement.

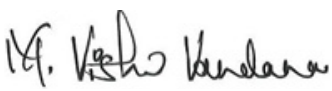
Going forward, with most strategies in place, the new fiscal year appears to be bright and we are optimistic about delivering the continued positive results.

In October 2020, former financial services executives Mr. Lissant Mitchell and Mr. Kevin Donaldson joined the board of Indies Pharma to replace retired directors Senator Aubyn Hill and Dr Norman Dunn, who both joined the government. Mr. Mitchell, the former CEO of Scotia Investment, is the new board mentor for the listed junior company. The critical thinking and approach by our board members will certainly catapult our growth."

During this year, Indies Pharma continued its major role in supporting the academic activities related to the Medical and Pharmacy fraternities in addition to its usual philanthropic initiatives.

For and behalf of the Board of Directors, I take this opportunity to express our gratitude to our staff, customers and investors for their continued support. We are all humbled by the faith that you have placed in our company and our management. We will continue to strive for excellence as INDIES soars to newer and greater heights. Please keep safe and well.

Sincerely,



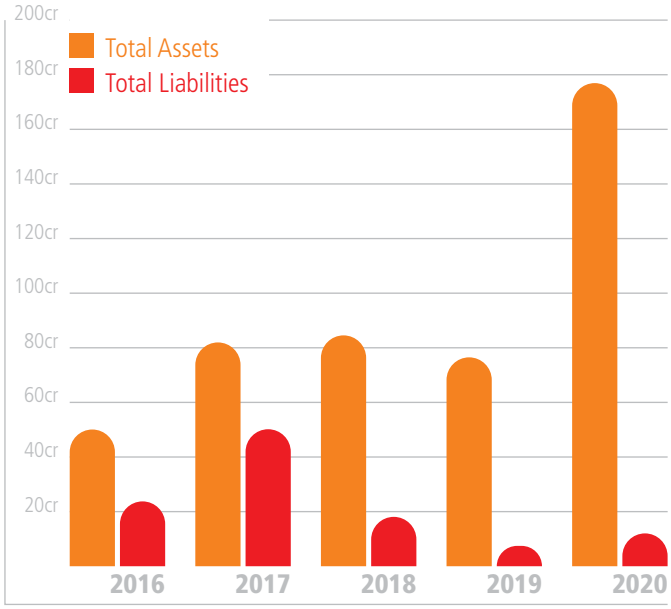
Vishnu V. Muppuri (Mrs.)
Co-Founder, Executive Director & COO

Financial Performance & Highlights

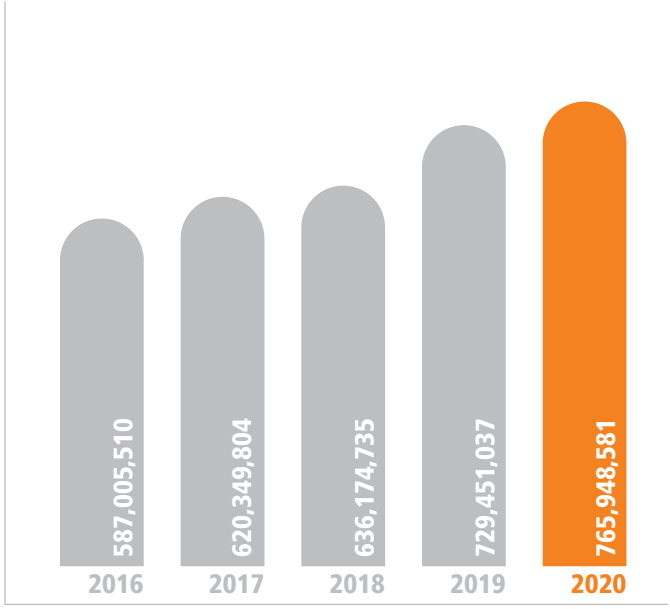
Five Year Financial Review

	2016	2017	2018	2019	2020
Assets	504,622,179	825,492,150	851,259,572	770,905,886	1,781,957,626
Liabilities	239,247,884	505,499,261	182,623,397	75,674,873	995,218,453
Shareholders' Equity	265,374,295	319,992,889	668,636,175	695,231,013	786,739,173
Comprehensive Income	(74,706,064)	140,201,581	119,701,287	136,111,692	278,063,291
Number of Stocks Units issued October 31,2019	1,158,553,500	1,158,553,500	1,332,536,649	1,332,536,649	1,332,536,649
Earnings per Stock Unit	-$0.06	$0.12	$0.08	$0.10	$0.16

Assets & Liabilites



Five Year Performance Revenues J$



Revenues grew by 30.5% from J$587M in 2015 to J$765.95M in fiscal year 2020

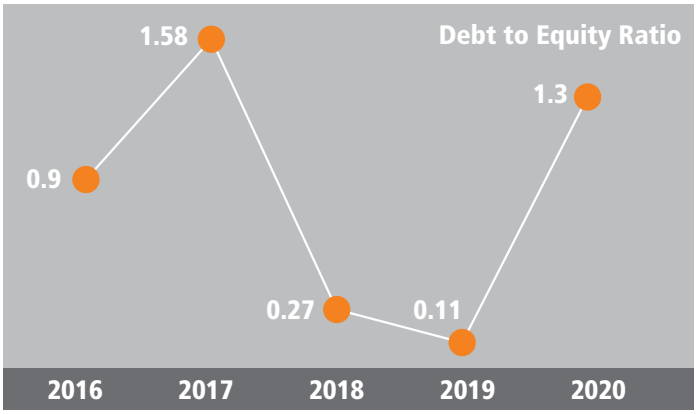
Financial Performance & Highlights *(CONT'D)*

Five Year Performance Revenues J$

	2016	2017	2018	2019	2020
	587,005,510	**620,349,804**	**636,174,735**	**729,451,037**	**765,948,581**
COST OF SALES	(217,692,713)	(208,755,519)	(243,383,661)	(268,777,844)	(239,255,600)
GROSS PROFIT	**369,312,796**	**411,594,285**	**392,791,074**	**460,673,193**	**526,692,981**
Other operating income	3,240,053	1,446,514	813,221	782,450	1,863,400
	372,552,849	413,040,799	393,604,295	461,455,643	528,556,381
Administrative and other expenses	(249,162,644)	(224,867,500)	(239,866,994)	(338,121,941)	-314,996,497
PROFIT FROM OPERATION	**123,390,205**	**188,173,299**	**153,737,302**	**123,333,702**	**213,559,884**
Exchange Gain/(Loss)	-	-	(4,482,462)	4,707,387	4,304,727
Finance Cost- Loan Interest	(13,046,456)	(15,827,852)	(11,209,463)	(196,728)	-9,185,983
NET PROFIT BEFORE TAXATION	**110,343,749**	**172,345,447**	**138,045,377**	**127,844,360**	**208,678,628**
Taxation	(31,116,334)	(35,043,865)	(18,344,089)	3,117,744	-2,029,220
NET PROFIT FOR THE PERIOD	**79,227,415**	**137,301,582**	**119,701,288**	**130,962,104**	**206,649,408**
OTHER COMPREHENSIVE INCOME					
Gain on revaluation of fixed assets					70,713,884
Profit on Disposal of Fixed Asset				5,149,587.00	699,999
Total other comprehensive income					71,413,883
TOTAL COMPREHENSIVE INCOME				**136,111,691.00**	**278,063,291**

Financial Performance & Highlights *(CONT'D)*

Important Ratios



	2016	2017	2018	2019	2020
Debt to Equity Ratio	0.9	1.58	0.27	0.11	1.3
Return on Equity	30%	43%	18%	20%	35%
Return on Assets	16%	17%	14%	18%	16%
Current Ratio	8.64	1.99	4.42	8.24	7.40

Ratio Analysis

- Our company has maintained an acceptable debt to equity ratio all the years and it was significantly down to 0.11 in 2019. However, our company's debt has moved from 0.11 to 1.3 in 2020 due to the $805 million bond that was raised for growth capital to acquire the real estate and new product development for the US market.
- Indies Pharma Jamaica Limited continues to grow with a rate of return per dollar invested at 35% which is the highest since being listed. The return on assets reduced slightly due to the acquisition of real estate and investment in product development mentioned above. The current ratio remains strong at 7.4 and is an indication of excellent financial health and a healthy liquidity position.



Management Discussion & Analysis

31 December 2020.

PUBLIC RELEASE
Management Discussion and Analysis
INDIES PHARMA JAMAICA LIMITED
2019-2020 Fiscal year – AUDITED FINANCIAL REPORT

During the 2020 financial year, with three quarters of the year grappled by COVID-19 pandemic crises, Indies Pharma experienced a stellar resurgence in the net profits by 57.7% (year on year) contrary to its fair performance in 2019.

We were able to achieve this growth strategically by being very agile in our management of stocks, logistics and by extension, our market share. Despite COVID crises and escalating logistics cost and lead time delays, our stringent management in place slashed our administrative and other expenses by $18.4 million this year adding to our bottom-line growth.

GROSS PROFIT UP 14% TO $525 MILLION

Gross profit for the twelve-month period amounted to $525 million, representing a 14.1 per cent or $65-million increase when compared with the similar period in 2019. Similarly, there was an increase of 11.5% or $13 million recorded for the fourth quarter in comparison to the same period in 2019.

Earnings per share for the twelve-month period increased by 50% to $0.15 cents per share compared to $0.10 cents in the prior period in 2019. Additionally, the Indies Pharma stock price closed at $2.69 at the end of the fourth quarter, representing an increase of 79.3 per cent or $1.19 per share since the company's Junior Market listing on the Jamaica Stock Exchange.

Shareholders' equity increased by 14.4 per cent or $98 million when compared to the similar period in the previous year. The reason for this was the revaluation of company's assets and an increase in retained earnings for the period.

Long-term liabilities increased to $882 million, which was predominantly due to Indies Pharma floating a bond that was utilised to repay the loan of $398 million used for the purchase of land for the construction of the company's corporate office in Montego Bay. In addition to the corporate office, the land purchase will also be used to increase its warehousing capacities as well as to fund the development and approval of two new drugs in the United States by the US Food and Drug Administration.

LIQUIDITY POSITION REMAINS STRONG

There has also been a decrease in trade payables. Indies Pharma's liquidity position remains healthy with a current ratio of 22:1, meaning that the company has $22 of current assets for every $1 of current liabilities.

The return on equity for the fourth quarter increased to 26 per cent from 21.5 per cent in the previous quarter. This shows a strong indication of how well Indies Pharma is managing its assets to create profits.

The earning per share increased by 50 per cent to $0.15 per share, coming from the $0.10 share for prior year 12-month period.

Maintaining consistent growth is a true reflection of our continued success with enhanced profitability. Had it not for the COVID-19 related delays in the lead time and logistics we would have easily achieved a 70% increase in the net profits compared to prior year.

Unlike the prior years, the management was vigilant about management of the near expiry date goods along with the production planning to mitigate the shelf life of the stocks at hand, that made us better able to manage, evaluate and measure performance of our operations translating into clearly defined profits.

Delays in the production of the new product lines that were supposed to have made their entry during this fiscal year continues in addition to the delays in the product registrations due to challenges at the Ministry of Health and Wellness due to COVID-19. However, we were able to obtain the approvals for the new line of Sanitizer product that is destined for launch during the Q2 of upcoming fiscal year.

This year's results show a strong indication of how well Indies Pharma Jamaica Limited managed during the pandemic crisis. It is poised to deliver consistently better profits to its shareholders.

Sincerely,



Dr. GUNA MUPPURI
Founding Chairman & CEO

Notice of Annual General Meeting - AGM

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Indies Pharma Jamaica Limited (the "Company") will be held on Thursday, May 27, 2021 at 10:30 a.m. at the Indies Pharma Distribution Center, Bioprist HQ Building, 1A Pimento Way, Freeport, Montego Bay, St. James to consider and, if thought fit, pass the following resolutions:

SPECIAL RESOLUTIONS

1. Amendment to the articles of incorporation
To approve the adoption of the amended Articles of Incorporation of the Company if there are any?

"To approve the adoption of any special resolution"

ORDINARY RESOLUTIONS:

1. RECEIPT OF AUDITED ACCOUNTS
To receive and approve the Audited Financial Statements for the financial year of the company ended October 31, 2020 together with the reports of the Directors and Auditors therein.

"That the Audited Accounts for the financial year of the Company ended October 31, 2020, together with the Reports of the Directors and Auditors thereon be and are hereby adopted."

2. TO ELECT DIRECTORS.
The Directors retiring by rotation in accordance with Regulation 99 of the Company's Articles of Association are Lissant Mitchell, Kevin Donaldson, Dr. Trevor McCartney and Dev Singh, being eligible for re-election offers themselves for re-election.

"That the Directors retiring by rotation, be re-elected as Directors of the Company by a single resolution."

"That. Lissant Mitchell, Kevin Donaldson, Dr. Trevor McCartney and Dev Singh, are hereby re-elected as Directors of the Company."

3. DIRECTORS REMUNERATION:
To authorize the Board of Directors to approve the Remuneration of the Directors. The Company is asked to consider, and if thought fit, to pass the following resolution:

"That the amount shown in the Audited Accounts for the year ended October 31, 2020 as fees to the Directors for services as Directors' be and is hereby approved".

4. APPOINTMENT AND REMUNERATION OF AUDITORS

"That the Board of Directors are hereby authorized to appoint BDO CHARTERED ACCOUNTANTS, Auditors of the Company to hold office until the next fiscal year 2021 / Annual General Meeting and to authorize the Directors to fix their remuneration".

5. OTHER ROUTINE BUSINESS
To deal with any other business that is considered routine and appropriate for the Annual General Meeting.

"To transact any other ordinary business of the Company that can be transacted at an Annual General Meeting".

Dated this
21st Day of FEBRUARY 2021

By Order of The Board

VENICE WILLIAMS-GORDON (Mrs.)
Company Secretary

Form of PROXY

INDIES PHARMA JAMAICA LIMITED
Reg. office: Unit 5 Trade Center, Catherin Hall, Howard Cooke Boulevard Montego Bay, Jamaica (West Indies).

I/We

_____of _____

in the Parish of _____ being member/members of the

above named company hereby appoint _____of

_____ or failing him/he _____of

_____ as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at the Indies Pharma Distribution Center, Bioprist HQ Building, 1A Pimento Way, Freeport, Montego Bay, St. James on Thursday, May 27, 2021 at 10:30 a.m. and at any adjournment thereof.

Signed this _____day of _____ 2021

Signature _____

Notes:

1. An instrument appointing a proxy, shall, unless the contrary is stated thereon be valid as well for any adjournment of the meeting as for the meeting to which it relates and need not be witnessed.
2. If the appointer is a corporation, this form must be under its common seal or under the hand of an officer or attorney duly authorized in writing.
3. In the case of joint holders, the vote of the senior will be accepted to the exclusion of the votes of others, seniority being determined by the order in which the names appear on the register.
4. To be valid, this form must be received by the Registrar of the Company at the address given below not less than 48 hours before the time fixed for holding the meeting or adjourned meeting.
5. The proxy form should bear stamp duty of One Hundred dollars ($100.00) which may be in the form of adhesive stamp duly cancelled by the person signing the proxy form.

REGISTRAR AND TRANSFER AGENTS

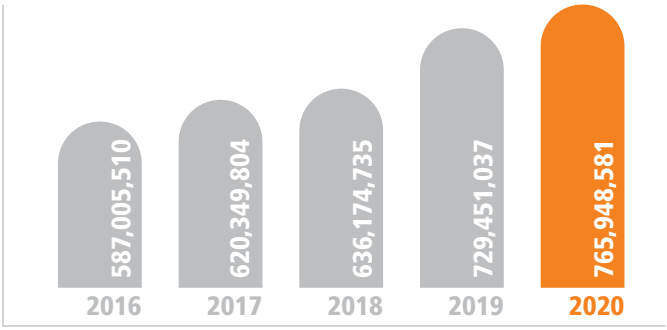
SAGICOR BANK JAMAICA LIMITED
R.Danny Williams Building, Pedestrian Mall, Ground Floor 28-48 Barbados Avenue, Kingston 5, Jamaica.

Executive Director's Report

Directors Report

The Directors of INDIES PHARMA JAMAICA LIMITED are pleased to present their Annual Report for the 12 months ending 31 October 2020.

Financial Highlights



Revenues grew by 30.5% from J$587M in 2015 to J$765.95M in fiscal year 2020

	2016	2017	2018	2019	2020
	587,005,510	**620,349,804**	**636,174,735**	**729,451,037**	**765,948,581**
COST OF SALES	(217,692,713)	(208,755,519)	(243,383,661)	(268,777,844)	(239,255,600)
GROSS PROFIT	**369,312,796**	**411,594,285**	**392,791,074**	**460,673,193**	**526,692,981**
Other operating income	3,240,053	1,446,514	813,221	782,450	1,863,400
	372,552,849	413,040,799	393,604,295	461,455,643	528,556,381
Administrative and other expenses	(249,162,644)	(224,867,500)	(239,866,994)	(338,121,941)	-314,996,497
PROFIT FROM OPERATION	**123,390,205**	**188,173,299**	**153,737,302**	**123,333,702**	**213,559,884**
Exchange Gain/(Loss)	-	-	(4,482,462)	4,707,387	4,304,727
Finance Cost- Loan Interest	(13,046,456)	(15,827,852)	(11,209,463)	(196,728)	-9,185,983
NET PROFIT BEFORE TAXATION	**110,343,749**	**172,345,447**	**138,045,377**	**127,844,360**	**208,678,628**
Taxation	(31,116,334)	(35,043,865)	(18,344,089)	3,117,744	-2,029,220
NET PROFIT FOR THE PERIOD	**79,227,415**	**137,301,582**	**119,701,288**	**130,962,104**	**206,649,408**
OTHER COMPREHENSIVE INCOME					
Gain on revaluation of fixed assets					70,713,884
Profit on Disposal of Fixed Asset				5,149,587.00	699,999
Total other comprehensive income					71,413,883
TOTAL COMPREHENSIVE INCOME				**136,111,691.00**	**278,063,291**

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
(YEAR ENDED 31 OCTOBER 2020)

Note	2020 ($)	2019($)
REVENUE	**765,948,581**	**729,451,037**
COST OF SALES	(239,255,600)	(268,777,844)
GROSS PROFIT	**526,692,981**	**460,673,193**
Other operating income	1,863,400	782,450
	528,556,381	461,455,643
Administrative and other expenses	(314,996,497)	(338,121,941)
PROFIT FROM OPERATION	213,559,884	123,333,702
Exchange gain	4,304,727	4,707,387
Finance costs	(9,185,983)	(196,728)
NET PROFIT BEFORE TAXATION	208,678,628	127,844,361
Taxation	(2,029,220)	3,117,744
NET PROFIT FOR THE YEAR	206,649,408	130,962,105
OTHER COMPREHENSIVE INCOME:		
Gain on revaluation of fixed assets	70,713,884	-
Profit on disposal of fixed assets	699,999	5,149,587
Total other comprehensive income	71,4123,883	5,149,587
TOTAL COMPREHENSIVE INCOME	278,063,291	136,111,692
BASIC EARNINGS PER SHARE	**0.16**	**0.10**

List Of Directors

The Directors of the Company as at October 31, 2019 are:

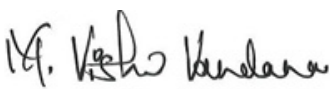
- Dr. Guna S. Muppuri (Executive Chairman, CEO & Director)
- Mrs. Vishnu V Muppuri (Executive Director & COO)
- Mr. Lissant Mitchell (Mentor & Non-Executive Director)
- Mr. Kevin Donaldson (Non-Executive Director)
- Prof. Dr. Trevor McCartney (Non-Executive Director)
- Mr. Dev Kumar Singh (Non-Executive Director)

Auditors

In furtherance of good corporate governance, the Board of Directors will propose that the office of Auditors of the Company be put to tender but, until the next fiscal year ending on 31st October 2021 the existing Auditors of the Company be continued.

We wish to thank all our Customers, employees, agents and shareholders for their continued support and contribution to the Company's performance.

By Order of The Board



Vishnu Vandana Muppuri (Mrs)
Co-Founder, Executive Director & COO

Dated this
21st Day of FEBRUARY 2021

Board of Directors



DR. GUNA MUPPURI
Executive Chairman, Director, Founder, President & CEO

An entrepreneur at heart, Dr. Guna Muppuri is a Medical Doctor by profession and the Founder of the Company. He has over 20 years' experience in the medical field inclusive of 15 years' experience as the founder and Chief Executive Officer of the Company. He currently sits on the Audit and Compensation committees of the Board.

Dr. Muppuri, holds a MBBS degree from the S.V University Medical College in Tirupati, India. He migrated to Jamaica in early 1992 and has worked in various capacities (private and public) as a medical officer in the Jamaican health care system.

He is also served as the President of the Business Process Industry Association of Jamaica and is a member of the Dean's Advisory Board for the School of Health Professions University of Alabama at Birmingham, USA, Member of the Board of Directors for The University of Common Wealth Caribbean (UCC) in Jamaica, iss currently a Director of Bioprist Pharmaceuticals NA LLC, USA, Bioprist Holdings Inc., Bioprist Las Americas Limited, Bioprist Pharmaceuticals Limited (India), Bioprist (BPO ICT) Knowledge Parks, Bioprist Institute of Health and Medical Sciences – BIHMS and WINFRA Development Consortium Limited – Las Marinas Resort Condominiums & Winfra Homes.

In 2008, Dr. Muppuri received the 'Good Physician of the Year' inaugural award from the Medical Association of Jamaica, in 2015 he was nominated for the "Civic Leadership Award" by the American Chamber of Commerce, and in 2016 he was nominated the "Entrepreneur of the Year Award" by the Jamaica Chamber of Commerce.

Dr. Muppuri also engages in other business ventures, including developing IT BPO Knowledge Parks and real estate.



VISHNU MUPPURI (Mrs.)
Co-Founder, Executive Director & Chief Operations Officer

Vishnu Muppuri is the Chief Operations Officer of the Company. She has over 14 years' experience with the Company in this capacity.

Mrs. Muppuri holds a Master of Science in Food and Nutrition Sciences (Honors) from Sri Venkateswara University, Tirupati, Andhra Pradesh, India. Following obtaining her masters degree in 1992, she lectured at the Sri Krishnaveni Junior College in Chittoor-Andhra, Pradesh, India in the Department of Food Science and Nutrition for 2 years prior to joining her life partner Dr. Guna Muppuri in 1994 in Jamaica.

She currently serves on the Board of Bioprist Group of companies in addition to Bioprist Pharmaceuticals North America, Bioprist Pharmaceuticals, India and GMP Greenfield India Limited.

Board of Directors *(CONT'D)*



Mr. LISSANT MITCHELL , MBA
Non-Executive Independent Director and Mentor

Mr. LISSANT L. MITCHELL, is an experienced financial services executive with a successful career spanning over twenty years at the management, senior management and executive levels, with tenures at local institutions as well as regional and international financial groups. He has a proven track record in designing and executing long term sustainable strategic priorities, change management, divestitures, mergers, acquisitions and share ownership privatization.

He has a Master's in Business Administration - Finance from University of Manchester United Kingdom and Bachelor of Science (Hons.) - Accounting with Economics from University of the West Indies Mona, Jamaica.

Mr. Mitchell is a former Senior Vice President Wealth Management Scotiabank Group Jamaica Limited & CEO Scotia Investments Jamaica Limited (SIJL) and currently serves as a director of the National Insurance Fund Advisory Board. He has held directorships with the Jamaica Stock Exchange, SIJL and a number of companies within the Scotiabank Group locally and regionally.



Professor. TREVOR McCARTNEY, D.M., M.B.B.S, F.R.C.S, F.C.C.S
Non-Executive Independent Director

Prof. McCartney is a non-executive director of the Company and sits on the Audit and Compensation committees of the Board.

He has over 30 years' experience as a General Surgeon and Administrator in the medical field. Since 1983, he has held the position of Consultant Surgeon with the St. Joseph's Hospital (Kingston), the Andrews Memorial Hospital (Kingston), the Nuttall Memorial Hospital, and the Maxfield Medical Centre.

He is also a Medical Consultant to Guardian Life (Kingston). He previously held the positions of Consultant Surgeon (1983- 2007), Chairman, Department of surgery (1987-1992), and Senior Medical Officer (1989-2007) with the Kingston Public Hospital; and Consultant Surgeon and Medial Chief of Staff (2007-2015), Chief Executive Officer (2008-2013) and Honourary Consultant Surgeon (1983-2007) with the University Hospital of the West Indies.

Dr. McCartney is also the Chief of Medical Staff at the University Hospital of the West Indies, Deputy Dean and a Professor of Surgery at the Faculty of Medical Sciences, University of the West Indies, Mona. He previously served as Associate Senior Lecturer and Associate Lecturer in Surgery at the same institution.

Dr. McCartney is the Chairman of the Medical Relations Committee, Sagicor Jamaica Limited. He has previously held positions on the Boards of the Blue Cross of Jamaica, Kingston Public Hospital, South East Regional Health Authority, and the Medical Council of Jamaica. Dr. McCartney is a past student of the Faculty of Medical Sciences, University of the West Indies, and the University of Edinburgh, Scotland. He completed his residency in DM (Surgery) at the University of the West Indies. He also attended Jamaica College

Board of Directors *(CONT'D)*



Mr. KEVIN ALEXIS DONALDSON, MBA
Non-Executive Independent Director

Mr. Kevin Donaldson is a non-executive director of the Company and sits on the Audit and Compensation committees of the Board.

He comes with 21 years of experience in the field of Banking and finance industry. His core competencies are Strategic Planning and Analysis, Corporate Finance and Capital Allocation, Financial Analysis and Valuation, Investment Management & Product Development & Team Building and Integration. Kevin Alexis Donaldson did MBA Banking & Finance from Mona School of Business and Management. BSc (Economics Special) from University of the West Indies.

Kevin Alexis Donaldson currently serves as the Director for Elite Diagnostics Limited listed on the Junior Market of Jamaica Stock Exchange. Formerly, he was also the Director of Advantage General Insurance Company, Jamaica Stock Exchange, Sagicor Select Fund of Sagicor Group. He also worked as a Lecturer at Jamaica Institute of Management (2008 -2011) and was also a Mentor to University of the West Indies/Mona School of Business New Ventures Competition.



Mr. DEV KUMAR SINGH, MBA
Non-Executive Independent Director

Dev Kumar Singh is a non-executive director of the Company, currently employed in the capacity of COO at LEADING PHARMA LLC in New Jersey, United States of America.

A highly motivated, innovative and professional leader with proven track record in developing and executing a marketing program and building the organizations from scratch.

Established green field pharma projects in India and UAE. He was the head of LIFE Pharma Dubai and was also part of the Sr. Management team at Jubilant Life Sciences Limited India, Accure Labs India where his role was pivotal in building midsize organizations to Global Pharma business.

He brings to the board his 24 years of experience in International Pharmaceuticals Formulations functions, Business Development, Marketing Strategies and Campaigns, establishing new projects including the green field pharma projects, General Management, P&L for the business, Product launches, Training and Consultations.

Commercially inclined senior leader who understands organizations wide imperatives, working with multicultural workforce in various countries, handling diverse projects / roles within Pharmaceutical Formulations sector.

Corporate Data

COMMITTEES

Corporate Governance and Accountability

The Board has established the following committees in accordance with the Securities Act and regulations made thereunder, and Junior Market Rules of the JSE. The members of each committee of the Board and a summary of its terms of reference are as follows:

AUDIT AND COMPLIANCE COMMITTEE	TERMS OF REFERENCE
Mr. Lissant Mitchell (Independent Chairman) Mr. Kevin Donaldson (Independent Member) Prof. Trevor McCartney (Independent Member)	Oversight of good fiscal discipline, financial reporting, timely disclosure, and compliance.

COMPENSATION COMMITTEE	TERMS OF REFERENCE
Prof. Trevor McCartney (Independent Chairman) Mr. Kevin Donaldson (Independent Member) Mr. Lissant Mitchell (Independent Member) Mrs. Vishnu Muppuri (Member)	Oversight of the Company's remuneration arrangements of the Directors and senior officers.

CONNECTED PARTY SHARE HOLDING

INDIES PHARMA JAMAICA LIMITED

SHAREHOLDINGS OF THE TEN LARGEST SHAREHOLDERS AS AT 31 OCTOBER 2020

SHAREHOLDERS	NUMBER OF UNITS	SHAREHOLDING (%)
Bioprist Holdings Inc.	1,042,858,249	78.26%
Sunand Gogineni	44,903,438	3.37%
GK Investments Limited	40,733,813	3.06%
Venugopal Naidu Kuntamukkala	23,171,070	1.74%
VM Wealth Equity Fund	13,695,613	1.03%
SAGICOR Select Fund Limited (Class C Shares) Manufacturing & Distribution	10,688,828	0.80%
GK General Insurance Company Limited	7,439,961	0.56%
E Penny Barron	7,192,281	0.54%
JCSD Trustee Services Limited (A/C Barita Unit Trust Capital Growth Fund)	5,967,082	0.45%
Jason Carby	5,700,000	0.43%
TOTAL	**1,202,350,335**	**90.23%**
Other Minority Shareholders	130,186,314	9.77%
TOTAL ISSUED SHARES	**1,332,536,649**	**100%**

Corporate Data *(CONT'D)*

INDIES PHARMA JAMAICA LIMITED
SHAREHOLDINGS OF DIRECTORS AS AT 31 OCTOBER 2020

	TOTAL SHAREHOLDINGS	DIRECT	CONNECTED PARTIES
DIRECTORS			
Dr. Guna S. Muppuri	1,042,858,249	-	1,042,858,249
Mrs. Vishnu Muppuri	1,042,858,249	-	1,042,858,249
Prof. Trevor McCartney	200,000	200,000	-
Mr. Kevin Donaldson	660,801	660,801	-
Mr. Lissant Mitchell	NIL	-	-
Dev Kumar Singh	NIL	-	-
COMPANY SECRETARY			
Venice Williams-Gordon	NIL	-	-

INDIES PHARMA JAMAICA LIMITED
SHAREHOLDINGS OF SENIOR MANAGERS & EXECUTIVES AS AT 31 OCTOBER 2020

SENIOR MANAGERS / EXECUTIVES	TOTAL SHAREHOLDINGS	DIRECT	CONNECTED PARTIES
Cynthia Hutchinson	NIL	-	-
Ricardo Stephenson	101,000	101,000	-
Sabrina Serrant	65,000	65,000	-
Ebany Gayle	77,900	77,900	-
Dwight Brown	50,000	50,000	-

FINANCIAL INSTITUTIONS

- **SAGICOR BANK JAMAICA LIMITED**
- **NATIONAL COMMERCIAL BANK JAMAICA LIMITED**

PROFESSIONAL SERVICES

Legal Advisors
Rattray Patterson Rattray, Attorneys At Law
ATT: Mr. Gordon Brown
Advantage General Building Market Street,
Montego Bay, St. James
Tel: 1-876-371-4877 / 876-940-4204 / 876-940-4200
E-Mail: gordon.brown@rattraypatterson.com

Legal Advisors
BDO Chartered Accountants
ATT: Mr. Daswell Brown
Baywest Shopping Centre,
Montego Bay, St. James
Tel: 1-876-919-5128 / 876-952-2976 / 876-952-3078
E-mail: daswell.brown@bdojamaica.com.jm

CONTACT INFORMATION

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Unit 5 Trade Centre, Catherine Hall, Howard Cooke Boulevard, Montego Bay – St. James. Jamaica – West Indies.
Tel: 1-876-940-7984 / 876-940-7985 | Fax: 1-876-940-7980 | E-Mail: guna.muppuri@indiespharma.com

Indies Pharma Jamaica Limited

Financial Statement 2020



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Independent Auditors' Report

To the Members of
Indies Pharma Jamaica Limited

Report on the Financial Statements

Opinion

We have audited the consolidated financial statements of Indies Pharma Jamaica Limited and its subsidiary (the group) and the financial statements of Indies Pharma Jamaica Limited standing alone (the company) set out on pages 6 to 47, which comprise the group's and the company's statements of financial position at 31 October 2020, and the group and the company's statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the group and the company as at 31 October 2020, and of the group's and company's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the requirements of the Jamaican Companies Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the group and the company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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

Key Audit Matters

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

Key audit matter	How our audit addressed the key audit matter
Measurement of Expected Credit Losses Refer to note 5(d) (ii) The expected loss rates are based on the group's historical credit losses experience over the period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information and macroeconomic factors affecting the ability of the customers to settle the receivables as well as probabilities of default representing the likelihood of a customer defaulting on its obligation over the next twelve months or over the remaining lifetime of the obligation. The group has identified the inflation rate of the country and economic variables as impactful on economic outcomes of the customer, and accordingly adjusts the historical loss rates based on estimated changes in these factors. Additionally, the uncertainty surrounding the economic impact of COVID-19 could result in a significant increase in credit risk (SICR) for customers based on the assessment of the industry sector in which the customer operates and other impactful factors.	Our audit procedures included: • Assessing the appropriateness of management's assumptions and compliance with the requirements of IFRS 9, Financial Instruments. • Assessing the reasonableness of the methodologies and assumptions applied by validating the completeness of the inputs used to derive the loss rates used in determining the ECLs for trade receivables and other financial instruments. • Testing the aging of accounts receivables and testing the accuracy of the ECL calculation. • Assessment of the adequacy of disclosures in the financial statements. Based on the results of the procedures performed, no adjustment was considered.

Key audit matter	How our audit addressed the key audit matter
In the event of a SICR, a provision is required for ECL resulting from the possible default events over the expected life of the financial instrument ('lifetime ECL'). The estimation and application of forward looking information is highly subjective and requires management to make significant judgement and estimates hence our focus on the area	
Capitalization of development costs related to pharmaceutical products as intangible assets and subsequent valuation Refer to note 12 Capitalized development costs amount to $114,698,809 as at 31 October 2020 and there is commitment for or expected further expenditure estimated at $175,301,191. Development costs comprise the expenditure under contracts to develop pharmaceutical products for the market. The group capitalizes the products development costs upon meeting the criteria as described in IAS 38. Capitalization criteria assessment under IAS 38 requires significant judgment and measurement uncertainty at inception and throughout the life of the products development stages. Judgements involved determination of the eligibility of the costs for capitalization and assessment by management of expectations and estimates of future outcomes.	Our audit procedures included, amongst others, review of the contracts for development of the products, assessment of the eligibility of the development costs for capitalization as intangible asset under IAS 38, performance of substantive test of details of the capitalized development costs and evaluating the assumptions and methodologies used by the group to test management's expectations and estimates of future economic cash flows as well as considerations of impairment. Based on the audit evidence we have gathered we are satisfied that management has reached its conclusions appropriately.

Other information

Management is responsible for the other information. The other information comprises the annual report but does not include the consolidated and stand alone financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

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

In connection with our audit of the consolidated and stand alone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and stand alone financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

Management is responsible for preparation of financial statements that give a true and fair view in accordance with IFRS and the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the group's and the company's financial reporting process.

Auditors' Responsibilities for the Audit of the 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism 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 group and the company's internal control.
- 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 group and 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 auditors' 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 auditors' 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that presents a true and fair view.
- 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 group audit. We remain solely responsible for our audit opinion.

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 auditors' 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.

Report on additional matters as required by the Jamaican Companies Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion, proper accounting records have been kept, so far as appears from our examination of those records, and the financial statements, which are in agreement therewith, give the information required by the Jamaican Companies Act, in the manner required.

The engagement partner on the audit resulting in this independent auditors' report is Raynold McFarlane.

BDO JAMAICA
Chartered Accountants
27 January 2021

Consolidated Statement Of Profit or Loss and Other Comprehensive Income

YEAR ENDED 31 OCTOBER 2020

	Note	2020 ($)	2019($)
REVENUE	**6**	**765,948,581**	**729,451,037**
COST OF SALES	8	(239,255,600)	(268,777,844)
GROSS PROFIT		**526,692,981**	**460,673,193**
Other operating income	7	1,863,400	782,450
		528,556,381	461,455,643
Administrative and other expenses	8	(314,996,497)	(338,121,941)
PROFIT FROM OPERATION		**213,559,884**	**123,333,702**
Exchange gain		4,304,727	4,707,387
Finance costs	9	(9,185,983)	(196,728)
NET PROFIT BEFORE TAXATION		**208,678,628**	**127,844,361**
Taxation	10	(2,029,220)	3,117,744
NET PROFIT FOR THE YEAR		206,649,408	130,962,105
OTHER COMPREHENSIVE INCOME:			
Gain on revaluation of fixed assets		70,713,884	-
Profit on disposal of fixed assets		699,999	5,149,587
Total other comprehensive income		71,4123,883	5,149,587
TOTAL COMPREHENSIVE INCOME		**278,063,291**	**136,111,692**
BASIC EARNINGS PER SHARE	**11**	**0.16**	**0.10**



Consolidated Statement of Financial Position

YEAR ENDED 31 OCTOBER 2020

	Note	2020 ($)	2019($)
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	12	114,698,809	-
Right-of-use asset	13	77,222,845	-
Investment	15	147,500,000	-
Property, plant and equipment	16	627,781,814	137,134,530
		967,203,468	**137,134,530**
Related companies	27	62,145,502	9,975,378
CURRENT ASSETS			
Inventories		146,520,962	156,936,210
Receivables	17	221,599,270	292,978,798
Taxation recoverable		632,834	2,541,480
Directors' current account	18	70,207,316	56,560,769
Cash and cash equivalents	19	313,648,274	114,778,721
		752,608,656	**623,795,978**
		1,781,957,626	**770,905,886**
EQUITY AND LIABILITIES			
EQUITY			
Share capital	20	244,576,999	244,576,999
Capital reserve	21	182,337,065	110,923,182
Retained earnings		359,825,109	339,730,832
		786,739,173	**695,231,013**
NON-CURRENT LIABILITIES			
Lease liabilities	22	41,194,958	-
Borrowing	23	805,000,000	-
Related companies	27	27,342,633	-
		873,537,591	**-**
CURRENT LIABILITIES			
Payables	25	79,673,603	67,414,295
Short-term borrowings	26	6,150,445	8,260,578
Current portion of lease liabilities	22	35,856,814	-
		121,680,862	**75,674,873**
		1,781,957,626	**770,905,886**

Approved for issue by the Board of Directors on 27 January 2021 and signed on its behalf by:

Guna Sekhar Muppuri
– Director

INDIES PHARMA JAMAICA LIMITED SEAL

Vishnu Vandana Muppuri
– Director

Consolidated Statement of Changes In Equity

YEAR ENDED 31 OCTOBER 2020

	Note	Number of Stock Units ($)	Share Capital ($)	Capital Reserve ($)	Retained Earnings ($)	Total ($)
BALANCE AT 31 OCTOBER 2018		1,332,536,649	244,576,999	105,773,595	318,285,581	668,636,175
Effects of change in accounting policy – IFRS 9 Financial Instruments		-	-	-	(2,913,922)	(2,913,922)
RESTATED TOTAL EQUITY AT 1 NOVEMBER 2018		1,332,536,649	244,576,999	105,773,595	315,371,659	665,722,253
Dividends	28	-	-	-	(106,602,932)	(106,602,932)
OTHER COMPREHENSIVE INCOME –						
Other comprehensive income		-	-	5,149,587	-	5,149,587
Net profit for the year		-	-	-	130,962,105	130,962,105
BALANCE AT 31 OCTOBER 2019		1,332,536,649	244,576,999	110,923,182	339,730,832	695,231,013
Dividends	28	-	-	-	(186,555,131)	(186,555,131)
OTHER COMPREHENSIVE INCOME –						
Other comprehensive income		-	-	71,413,883	-	71,413,883
Net profit for the year		-	-	-	206,649,408	206,649,408
BALANCE AT 31 OCTOBER 2020		1,332,536,649	244,576,999	182,337,065	359,825,109	786,739,173



Consolidated Statement of Cash Flows

YEAR ENDED 31 OCTOBER 2020

	2020 ($)	2019($)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit	206,649,408	130,962,105
Items not affecting cash resources:		
Depreciation	48,903,104	12,261,523
Interest expense	9,185,983	196,728
Interest income	(515,981)	(319,279)
Effects of change in accounting policy (IFRS 9)	-	(2,913,922)
Taxation expense	2,029,220	(3,117,744)
Operating cash flows before movements in working capital	**266,251,734**	**137,069,411**
Changes in operating assets and liabilities		
Inventories	10,415,248	(1,742,688)
Receivables	71,379,528	(26,570,354)
Payables	12,259,307	20,864,904
Related companies	(24,827,491)	65,544,959
Directors' current account	(13,646,547)	(19,781,122)
Taxation recoverable	(120,574)	(61,313)
	321,711,205	**175,323,797**
Taxation paid	-	(7,974,000)
Cash provided by operating activities	**321,711,205**	**167,349,797**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received	515,981	319,279
Purchase of property, plant and equipment	(431,234,595)	(60,271,652)
Right of use assets	(114,824,755)	-
Purchase of intangible assets	(114,698,809)	-
Purchase of investment	(147,500,00)	-
Proceed from disposal of Property, plant and equipment	700,000	8,450,000
Cash used in investing activities	**(807,042,178)**	**(51,502,373)**
CASH FLOWS FROM FINANCING ACTIVITIES:		
Interest paid	(9,185,983)	(196,728)
Borrowing	799,577,858	4,339,138
Dividends paid	(186,555,131)	(106,602,932)
Lease liabilities	77,051,772	-
Cash provided by/(used in) financing activities	**680,888,516**	**(102,460,522)**
NET INCREASE IN CASH AND CASH EQUIVALENTS	**195,557,543**	**13,386,902**
Cash and cash equivalents at beginning of year	114,778,721	101,391,819
CASH AND CASH EQUIVALENTS AT END YEAR (Note 19)	310,336,264	114,778,721

Company Statement of Profit or Loss and Other Comprehensive Income

YEAR ENDED
31 OCTOBER 2020

	Note	2020 ($)	2019($)
REVENUE	**6**	**765,948,581**	**729,451,037**
COST OF SALES	8	(239,255,600)	(268,777,844)
GROSS PROFIT		**526,692,981**	**460,673,193**
Other operating income	7	1,863,400	782,450
		528,556,381	461,455,643
Administrative and other expenses	8	(314,296,497)	(338,121,941)
PROFIT FROM OPERATION		**214,259,884**	**123,333,702**
Exchange gain		4,304,727	4,707,387
Finance costs	9	(9,185,983)	(196,728)
NET PROFIT BEFORE TAXATION		**209,378,628**	**127,844,361**
Taxation	10	(2,029,220)	3,117,744
NET PROFIT FOR THE YEAR		207,349,408	130,962,105
OTHER COMPREHENSIVE INCOME:			
Profit on disposal of fixed assets		699,999	5,149,587
TOTAL COMPREHENSIVE INCOME		**208,049,407**	**136,111,692**



Company Statement of Financial Position

YEAR ENDED 31 OCTOBER 2020

	Note	2020 ($)	2019($)
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	12	114,698,809	-
Right-of-use asset	13	77,222,845	-
Investment in subsidiary	14	100	-
Investment	15	147,500,000	-
Property, plant and equipment	16	151,245,015	137,134,530
		490,666,769	**137,134,530**
Related companies	27	444,375,684	9,975,378
CURRENT ASSETS			
Inventories		146,520,962	156,936,210
Receivables	17	221,599,270	292,978,798
Taxation recoverable		632,834	2,541,480
Directors' current account	18	70,207,316	56,560,769
Cash and cash equivalents	19	313,648,274	114,778,721
		752,608,656	**623,795,978**
		1,687,651,109	**770,905,886**
EQUITY AND LIABILITIES			
EQUITY			
Share capital	20	244,576,999	244,576,999
Capital reserve	21	111,623,181	110,923,182
Retained earnings		360,525,109	339,730,832
		716,725,289	**695,231,013**
NON-CURRENT LIABILITIES			
Lease liabilities	22	41,194,958	-
Borrowing	23	805,000,000	-
Related companies	27	3,750,000	-
		849,944,958	**-**
CURRENT LIABILITIES			
Payables	25	78,973,603	67,414,295
Short-term borrowings	26	6,150,445	8,260,578
Current portion of lease liabilities	22	35,856,814	-
		120,980,862	**75,674,873**
		1,687,651,109	**770,905,886**

Approved for issue by the Board of Directors on 27 January 2021 and signed on its behalf by:

Guna Sekhar Muppuri
– Director

INDIES PHARMA JAMAICA LIMITED SEAL

Vishnu Vandana Muppuri
– Director

Company Statement of Changes In Equity

YEAR ENDED 31 OCTOBER 2020

	Note	Number of Stock Units ($)	Share Capital ($)	Capital Reserve ($)	Retained Earnings ($)	Total ($)
BALANCE AT 31 OCTOBER 2018		1,332,536,649	244,576,999	105,773,595	318,285,581	668,636,175
Effects of change in accounting policy – IFRS 9 Financial Instruments		-	-	-	(2,913,922)	(2,913,922)
RESTATED TOTAL EQUITY AT 1 NOVEMBER 2018		1,332,536,649	244,576,999	105,773,595	315,371,659	665,722,253
Dividends	28	-	-	-	(106,602,932)	(106,602,932)
OTHER COMPREHENSIVE INCOME						
Other comprehensive income		-	-	5,149,587	-	5,149,587
Net profit for the year		-	-	-	130,962,105	130,962,105
BALANCE AT 31 OCTOBER 2019		1,332,536,649	244,576,999	110,923,182	339,730,832	695,231,013
Dividends	28	-	-	-	(186,555,131)	(186,555,131)
OTHER COMPREHENSIVE INCOME						
Other comprehensive income		-	-	699,999	-	699,999
Net profit for the year		-	-	-	207,349,408	207,349,408
BALANCE AT 31 OCTOBER 2020		1,332,536,649	244,576,999	111,623,181	360,525,109	716,725,289



Company Statement of Cash Flows

YEAR ENDED 31 OCTOBER 2020

	2020 ($)	2019($)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit	207,349,408	130,962,105
Items not affecting cash resources:		
Depreciation	48,903,104	12,261,523
Interest expense	9,185,983	196,728
Interest income	(515,981)	(319,279)
Effects of change in accounting policy (IFRS 9)	-	(2,913,922)
Taxation expense	2,029,220	(3,117,744)
Operating cash flows before movements in working capital	**266,951,734**	**137,069,411**
Change in operating assets and liabilities		
Inventories	10,415,248	(1,742,688)
Receivables	71,379,528	(26,570,354)
Payables	11,559,307	20,864,904
Related companies	(430,650,306)	65,544,959
Directors' current account	(13,646,547)	(19,781,122)
Taxation recoverable	(120,574)	(61,313)
	(84,111,610)	**175,323,797**
Taxation paid	-	(7,974,000)
Cash (used in)/provided by operating activities	**(84,111,610)**	**167,349,797**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received	515,981	319,279
Acquisition of subsidiary	(100)	-
Purchase of investment	(147,500,000)	-
Purchase of property, plant and equipment	(25,411,680)	(60,271,652)
Purchase of right of use assets	(114,824,755)	-
purchase of intangible assets	(114,698,809)	-
Proceed from disposal of Property, plant and equipment	700,000	8,450,000
Cash used in investing activities	**(401,219,363)**	**(51,502,373)**
CASH FLOWS FROM FINANCING ACTIVITIES:		
Interest paid	(9,185,983)	(196,728)
Borrowing	799,577,858	4,339,138
Dividends paid	(186,555,131)	(106,602,932)
Lease liabilities	77,051,772	-
Cash provided by/(used in) financing activities	**680,888,516**	**(102,460,522)**
NET INCREASE IN CASH AND CASH EQUIVALENTS	**195,551,543**	**13,386,902**
Cash and cash equivalents at beginning of year	114,778,721	101,391,819
CASH AND CASH EQUIVALENTS AT END YEAR (Note 19)	310,336,264	114,778,721

1. IDENTIFICATION AND PRINCIPAL ACTIVITIES

a. Indies Pharma Jamaica Limited is a limited liability company incorporated and domiciled in Jamaica. The registered office of the company is Unit #5 Montego Bay Trade Centre, Catherine Hall, Montego Bay, St. James.

b. The principal activity of the company is the distribution and retailing of pharmaceutical and auxiliary products.

c. On 15 August 2018, Indies Pharma Jamaica Limited became a public listed entity on the Junior Market of the Jamaica Stock Exchange. Consequently, the company is entitled to a remission of income taxes for ten (10) years providing it complies with the requirements of the Jamaica Stock Exchange for the Junior Market.

2. FUNCTIONAL AND PRESENTATION CURRENCY:

Items included in the financial statements of the group are measured using the currency of the primary economic environment in which the group operates ('the functional currency').

These financial statements are presented in Jamaican dollars, which is considered the group's functional and presentation currency, unless otherwise stated.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

a. Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), and have been prepared under the historical cost convention as modified by the revaluation of certain properties and financial assets that are measured at fair value or revalued amounts. They are also prepared in accordance with the requirements of the Jamaican Companies Act.

The preparation of financial statements to conform to IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, contingent assets and contingent liabilities at the date of the statement of financial position and the total comprehensive income during the reporting period. The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and underlying assumptions are reviewed on an ongoing basis and any adjustments that may be necessary would be reflected in the year in which actual results are known. The areas involving a higher degree of judgment in complexity, or areas where assumptions or estimates are significant to the financial statements are discussed in note 4.

New, revised and amended standards and interpretations that became effective during the year.

Certain new standards, interpretations and amendments to existing standards have been published that became effective during the current financial year. The group has assessed the relevance of all such new standards, interpretations and amendments and has concluded that the following standards amendments are relevant to its operations.

IFRS 16, 'Leases', (effective for accounting periods beginning on or after 1 January 2019). The group adopted IFRS 16, Leases from 1 November 2019. The standard primarily addresses the accounting for leases by lessees. The standard removes the distinction between operating and finance leases and instead requires on balance sheet recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short term leases and low-value items valued at US$5,000 or less. The accounting by lessors will not significantly change. The impact of adopting the standard is reflected in notes 3(q), 13 and 19.

IFRIC 23, 'Uncertainty over income tax treatments' statements' (effective for annual period beginning on or after 1 January 2019). This IFRIC clarifies how the recognition and measurement requirements of IAS 12 'Income taxes', are applied where there is uncertainty over income tax treatments. The IFRS IC had clarified previously that IAS 12, not IAS 37 'Provisions, contingent liabilities and contingent assets', applies to accounting for uncertain income tax treatments. IFRIC 23 explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment.

An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the tax authority. For example, a decision to claim a deduction for a specific expense or not to include a specific item of income in a tax return is an uncertain tax treatment if its acceptability is uncertain under tax law. IFRIC 23 applies to all aspects of income tax accounting where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates.

The adoption of the interpretation did not have any significant impact on the group's financial statements.

New standards, amendments and interpretation not yet effective and not early adopted

Certain new standards amendments and interpretations have been issued but not yet effective and not early adopted.

Amendments to IAS 1 and IAS 8 on the definition of material (effective for annual period beginning on or after 1 January 2020). These amendments to IAS 1, 'Presentation of financial statements', and IAS 8, 'Accounting policies, changes in accounting estimates and errors', and consequential amendments to other IFRSs: i) use a consistent definition of materiality throughout IFRSs and the Conceptual Framework for Financial Reporting; ii) clarify the explanation of the definition of material; and iii) incorporate some of the guidance in IAS 1 about immaterial information. The adoption of this standard will not have a significant impact on the group.

Amendments to IFRS 9, IAS 39 and IFRS 7 - Interest rate benchmark reform (effective for annual period beginning on or after 1 January 2020). These amendments provide certain reliefs in connection with interest rate benchmark reform. The reliefs relate to hedge accounting and have the effect that IBOR reform should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement. Given the pervasive nature of hedges involving IBOR based contracts, the reliefs will affect companies in all industries.

The adoption of the amendments will not have any significant impact on the group's financial statements.

b. Basis of consolidation

A subsidiary is an enterprise controlled by the company. Control exists when the company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. In assessing control, potential voting rights that are presently exercisable or convertible are taken into account. The financial statements of the subsidiary are included in the consolidated financial statements from the date control commences until the date that control ceases. The consolidated financial statements include the financial statements of the company and its wholly-owned subsidiary Indies Pharma Business Park Limited. The company and its subsidiary are collectively referred to as the group. The parent company currently administers the affairs of the subsidiary, handles its banking transactions and bears the related expenses. Balances and transactions between companies within the group, and any unrealized gains arising from those transactions, are eliminated in preparing the consolidated financial statements.

c. Foreign currency translation

Foreign currency transactions are accounted for at the exchange rates prevailing at the dates of the transactions.

Monetary items denominated in foreign currency are translated to Jamaican dollars using the closing rate as at the reporting date. Non-monetary items measured at historical cost denominated in a foreign currency are translated using the exchange rate as at the date of initial recognition; non-monetary items in a foreign currency that are measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising from the settlement of transactions at rates different from those at the dates of the transactions and unrealized foreign exchange differences on unsettled foreign currency monetary assets and liabilities are recognized in profit or loss. Translation differences on non-monetary financial instruments, such as equities classified as available-for-sale financial assets, are included in equity.

d. Property, plant and equipment

Items of property, plant and equipment are recorded at historical cost, less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Freehold land and buildings are subsequently carried at fair value, based on periodic valuations by a professionally qualified valuer. These revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Changes in fair value are recognised in other comprehensive income and accumulated in capital reserve except to the extent that any decrease in value in excess of the credit balance on the revaluation surplus, or reversal of such a transaction, is recognised in profit or loss.

Depreciation is calculated on the straight line basis at such rate as will write off the carrying value of the assets over the period of their expected useful lives. Land is not depreciated. The annual rates are as follows:

Freehold buildings	2½%
Plant, machinery, furniture, fixtures and equipment	10%
Motor vehicles	20%
Computer equipment	22½%

At the date of revaluation, the accumulated depreciation on the revalued freehold property is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. On disposal of the asset the balance of the revaluation reserve is transferred to retained earnings.

e. Inventories

Inventories are stated at the lower of cost and fair value less costs to sell, cost being determined on the first-in, first-out basis. Fair value less costs to sell is the estimated selling price in the ordinary course of business, less selling expenses. Obsolete inventory is expensed in cost of sales.

f. Impairment of non-current assets

Property, plant and equipment and other non-current assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the assets exceeds its recoverable amount, which is the greater of an asset's net selling price and value in use. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identified cash flows. Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

g. Financial instruments – classification, recognition and derecognition and measurement

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

Financial assets

The group classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired and the accounting policy for each category as follows:

Fair value through profit or loss: These are carried in the statement of financial position at fair value with changes in fair value recognized in the statement of comprehensive income in the finance income or expense line. The group does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

Amortized cost: These assets arise principally from the provision of goods and services to customers (for example, trade receivables), but also incorporates other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortized cost using the effective interest rate method, less provision for impairment.

Fair value through other comprehensive income: Where the group has investments in listed entities which are not accounted for as subsidiaries, associates or jointly controlled entities, the group would make an irrevocable election to classify the investments at affair value through other comprehensive income rather than through profit or loss as the group considers this measurement to be the most representative of the business model for these assets. They are carried at fair value with changes in fair value recognized in other comprehensive income reserved. Upon disposal any balance within fair value through other comprehensive income reserve is reclassified directly as retained earnings and is not reclassified to profit or loss.

Impairment: Impairment provisions for current and non-current trade receivables are recognized based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognized within the statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for receivables from related parties and loans to related parties are recognized based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognized. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognized. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognized.

Recognition and initial measurement: Financial instruments are classified, recognized and measured in accordance with

the substance of the terms of the contracts. The group recognizes a financial instrument when it becomes a party to the contractual terms of the instrument. The group initially recognizes receivables on the date when they are originated. All other financial assets and financial liabilities are initially recognized when the group becomes a party to the contractual provisions of the instrument.

Financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership.

The group's financial assets measured at amortized cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position. Cash and cash equivalents include cash in hand, deposits held at call with banks, other short term highly liquid investments and original maturities of three months or less, and for the purpose of the statement of cash flows – bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities in the statement of financial position.

The group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

Financial liabilities
The group classifies its financial liabilities at amortized cost

h. Share capital

Ordinary shares are classified as equity. Incremental cost directly attributed to the issue of ordinary shares are recognized as a deduction from equity.

i. Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand.

j. Trade receivables

Trade receivables are recognized at original invoiced amount less provision made for impairment of these receivables. For trade receivables the group applies the simplified approach permitted by IFRS 9 which requires the impairment provision be measured using life time ECL.

k. Payables

Trade and other payables are stated at amortized cost.

l. Borrowings

Borrowings are recognized initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective yield method. Any difference between proceeds, net of transaction costs, and the redemption value is recognized in profit or loss over the period of the borrowings.

m. Provisions

Provisions are recognized when the group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

n. Current and deferred income taxes

Current tax charges are based on taxable profits for the year, which differ from the profit before tax reported because taxable profits exclude items that are taxable or deductible in other years, and items that are never taxable or deductible. The group's liability for current tax is calculated at tax rates that have been enacted at the reporting date.

Deferred tax is the tax that is expected to be paid or recovered on differences between the carrying amounts of assets and liabilities and the corresponding tax bases. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred tax is charged or credited to profit or loss, except where it relates to items charged or credited to other

comprehensive income or equity, in which case deferred tax is also dealt with in other comprehensive income or equity.

o. Employee benefits

Employee benefits include current and short term benefits such as salaries, statutory contributions paid, annual vacation and sick leave and non-monetary benefits such as medical care.

p. Revenue recognition

The group recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefit will flow to the entity and when specific criteria have been met. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances and discounts.

Interest income is recognized in the statement of comprehensive income for all interest bearing instruments on an accrual basis unless collectability is doubtful.

q. Intangible assets

Intangible assets represent products being developed and are shown at cost incurred which will be amortized to profit or loss on commencement of commercial production and selling over the years on the straight line basis.

r. Leases

As of 1 November 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group.

Assets and liabilities arising from a lease are initially measured on a present value basis.

The right-of-use asset is depreciated using the straight line method from the commencement date to the end of the lease term.

Lease liabilities include the net present value of the following lease payments:

- Fixed payments, less any lease incentives receivable
- Payment of penalties for terminating the lease, if the lease reflects the group exercising that option.

The lease liability is measured at amortized cost using the effective interest method.

Up to October 2019, leases were classified as operating leases and payments made under the leases were expensed to profit or loss.

s. Segment reporting

An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses and for which discrete financial information is available. The operating results are regularly reviewed by the entity's Chief Operating Decision Maker (CODM) to assess its performance and to make decisions about resources to be allocated to the segment. The CODM has been identified as the Board of Directors, in particular to the executive members, who make strategic decisions.

Based on the internal management reports presented to and reviewed by the CODM, the entire operations of the group are considered as one operating segment.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

a. Critical judgements in applying the group's accounting policies

In the process of applying the group's accounting policies, management has not made any judgements that it believes would cause a significant impact on the amounts recognized in the financial statements.

b. Key sources of estimation uncertainty

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts and assets and liabilities within the next financial year are discussed below:

1. Depreciable assets: Estimates of the useful life and the residual value of property, plant and equipment are required in order to apply an adequate rate of transferring the economic benefits embodied in these assets in the relevant periods. The group applies a variety of methods in an effort to arrive at these estimates from which actual results may vary. Actual variations in estimated useful lives and residual values are reflected in profit or loss through impairment or adjusted depreciation provisions.

2. Net realizable value of inventories: Estimates of net realizable value are based on the most reliable evidence available at the time the estimates are made, of the amount the inventories are expected to realize. The estimates take

into consideration fluctuations of price or cost directly relating to events occurring after the end of the period to the extent that such events confirm conditions existing at the end of the period,

Estimates of net realizable value also take into consideration the purpose for which the inventory is held.

3. Allowance for expected credit losses on receivables: In determining amounts recorded for impairment of accounts receivable in the financial statements, management makes judgements regarding indicators of impairment, that is, whether there are indicators that suggest there may be a measurable decrease in the estimated future cash flows from accounts receivable, for example, repayment default and adverse economic conditions.

Management also makes estimates of the likely estimated future cash flows from impaired accounts receivable, as well as the timing of such cash flows. Expected credit losses (ECL) is applied to determine impairment of financial assets. When measuring ECL, the group considers the maximum contractual period over which the group is exposed to credit risk. All contractual terms are considered when determining the expected life. The expected life is estimated based on the period over which the group is exposed to credit risk and where the credit losses would be mitigated by management actions.

5. FINANCIAL RISK MANAGEMENT

The group is exposed through its operations to the following financial risks:

- Credit risk
- Fair value or cash flow interest rate risk
- Foreign exchange risk
- Market risk, and
- Liquidity risk

In common with all other businesses, the group's activities expose it to a variety of risks that arise from its use of financial instruments. This note describes the group's objectives, policies and processes for managing those risks to minimize potential adverse effects on the financial performance of the group and the methods used to measure them.

There have been no substantive changes in the group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them unless otherwise stated in this note.

a. Principal financial instruments

The principal financial instruments used by the group, from which financial instrument risk arises, are as follows:

- Trade receivables
- Cash and cash equivalents
- Trade and other payables
- Due from related party
- Bank overdraft
- Borrowings



b. Financial Instrument by category

	The Group	
	2020 ($)	**2019($)**
Financial assets – loans and receivables		
Related parties	62,145,502	9,975,378
Investment	147,500,000	-
Cash and cash equivalents	313,648,274	114,778,721
Receivables	221,599,270	292,978,798
Total financial assets	**744,893,046**	**417,732,897**
Financial liabilities – at amortized cost		
Payables	79,673,603	66,967,750
Loans and borrowings	811,150,445	8,260,578
Related parties	27,342,633	-
Total financial liabilities	**918,166,681**	**75,228,328**

	The Company	
	2020 ($)	**2019($)**
Financial assets – loans and receivables		
Related parties	444,375,784	9,975,378
Investment	147,500,000	-
Cash and cash equivalents	313,648,274	114,778,721
Receivables	221,599,270	292,978,798
Total financial assets	**1,127,123,328**	**417,732,897**
Financial liabilities – at amortized cost		
Payables	78,973,603	66,967,750
Loans and borrowings	811,150,445	8,260,578
Related parties	3,750,000	-
Total financial liabilities	**893,874,048**	**75,228,328**



c. Financial instruments not measured at fair value

Financial instruments not measured at fair value includes, cash and cash equivalents, receivables, related party balances, payables and long term liabilities.

Due to their short-term nature, the carrying value of cash and cash equivalents, receivables and payables approximates their fair value.

d. Financial risk factors

The Board of Directors has overall responsibility for the determination of the group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the group's finance function. The Board receives monthly reports from the financial controller through which it reviews the effectiveness of the process put in place and the appropriateness of the objective and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the group's competitiveness and flexibility. Further details regarding these policies are set out below:

1. Market risk

Currency risk: Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates.

Currency risk arises from US dollar cash and bank balances. The group manages this risk by ensuring that the net exposure in foreign assets and liabilities is kept to an acceptable level by monitoring currency positions. The group further manages this risk by maximizing foreign currency earnings and holding net foreign currency assets.

Concentration of currency risk: The group is exposed to foreign currency risk in respect of US dollar payables and cash and bank balances amounting to US1,310,637 (2019; US$13,133) and US$212,851 (2019: US$214,780) respectively.

Cash flow and fair value interest rate risk: Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

Floating rate instruments expose the group to cash flow interest rate risk, whereas fixed rate instruments expose the group to fair value interest rate risk.

The group is primarily exposed to cash flow interest rate risk on its variable rate borrowings. The group analyses its interest rate exposure arising from borrowings on an ongoing basis, taking into consideration the options of refinancing, renewal of existing positions and alternative financing.

Short term deposits and borrowings are the only interest bearing assets and liabilities respectively, within the group. The group's short term deposits and borrowings are due to mature and re-price respectively, within 3 months of the reporting date.

Interest rate sensitivity: There is no significant exposure to interest rate risk on short term deposits, as these deposits have a short term to maturity and are constantly reinvested at current market rates.

There is no significant exposure to interest rate risk on borrowings.

2. Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Credit risk arises from trade receivables, due from related group and cash and bank balances.

Cash and bank balances: Cash transactions are limited to high credit quality financial institutions. The group has policies that limit the amount of credit exposure to any one financial institution.

Maximum exposure to credit risk: The maximum exposure to credit risk is equal to the carrying amount of trade and other receivables and cash and cash equivalents in the statement of financial position.

Trade receivables: The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The credit policy states that each customer must be analyzed individually for creditworthiness before the group's standard payment and delivery terms and conditions are offered. The group's review includes bank references.

The Board of Directors determines concentrations of credit risk by quarterly monitoring the creditworthiness of existing customers and through a monthly review of the trade receivables' ageing analysis.

Credit limits for all customers are reviewed at least annually, against the customers' payment history, assessment of customers' credit risk and sales department information.

The group applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and aging.

Trade receivables: The expected loss rates are based on the group's historical credit losses experienced over the period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The group has identified the inflation rate of the country in which it offers its service to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in these factors.

The following table provides information about ECLs for trade receivables as at 31 October 2020

Aging	Gross Carrying Amount ($)	Expected Loss Rate (%)	ECL Allowance ($)
Trade receivables			
0-30 days	55,630,980	-	-
31-60 days	35,291,919	-	-
61-90 days	15,730,102	10	1,715,340
90-120 days	5,127,139	3	173,572
120 and over	48,203,135	23	11,154,448
	159,983,275		**13,043,360**

Movements in the impairment allowance for trade receivables as follows:

	2020 ($)	2019($)
At 1 November 2019 IAS 39	10,516,078	-
Restated through opening retained earnings	-	2,913,922
Impairment loss during the year	2,527,282	7,602,156
	13,043,360	**10,516,078**

3. Liquidity risk

Liquidity risk is the risk that the group will be unable to meet its payment obligations associated with its financial liabilities when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

Liquidity risk management process: The group's liquidity management process, as carried out within the group and monitored by the Finance Department, includes:

i. Monitoring future cash flows and liquidity on a bi-weekly basis.
ii. Maintaining a portfolio of short term deposit balances that can easily be liquidated as protection against any unforeseen interruption to cash flow.
iii. Maintaining committed lines of credit.
iv. Optimizing cash returns on investments.

The table below presents the undiscounted cash flows (both interest and principal cash flows) of the group's financial liabilities based on contractual rights and obligations as well as expected maturity.

Cash flows of financial liabilities: The maturity profile of the group's financial liabilities, based on contractual undiscounted payments, is as follows:

The Group

	Within 1Year (J$)	Within 1 to 2 Year (J$)	Within 2 to 5 Year (J$)	Over 5 Years (J$)	Total (J$)
31 October 2020					
Payables	79,673,603	-	-	-	79,673,603
Loan term borrowing	56,350,000	56,350,000	974,050,000	-	1,086,750,000
Short term loans	6,150,445	-	-	-	6,150,445
Related companies	-	-	-	27,342,633	27,342,633
Total financial liabilities (contractual maturity dates)	**142,174,048**	**56,350,000**	**974,050,000**	**27,342,633**	**1,199,916,681**
31 October 2019					
Payables	66,967,750	-	-	-	66,967,750
Short term loans	8,260,578	-	-	-	8,260,578
Total financial liabilities (contractual maturity dates)	**75,228,328**	**-**	**-**	**-**	**75,228,328**

THe Company

	Within 1Year (J$)	Within 1 to 2 Year (J$)	Within 2 to 5 Year (J$)	Over 5 Years (J$)	Total (J$)
31 October 2020					
Payables	78,973,603	-	-	-	78,973,603
Loan term borrowing	56,350,000	56,350,000	974,050,000	-	1,086,750,000
Short term loans	6,150,445	-	-	-	6,150,445
Related companies	-	-	-	3,750,000	3,750,000
Total financial liabilities (contractual maturity dates)	**141,474,048**	**56,350,000**	**974,050,000**	**3,750,000**	**1,181,774,493**
31 October 2019					
Payables	66,967,750	-	-	-	66,967,750
Short term loans	8,260,578	-	-	-	8,260,578
Total financial liabilities (contractual maturity dates)	**75,228,328**	**-**	**-**	**-**	**75,228,328**

4. Capital management

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for stockholders and benefits for other stakeholders. The Board of Directors monitors the return on capital, which the group defines as net operating income, excluding non-recurring items, divided by total stockholders' equity. The board of directors also monitors the level of dividends to stockholders.

There are no particular strategies to determine the optimal capital structure. The group met the capital requirements of at least $50,000,000 for listing on the Junior Market of the Jamaica Stock Exchange. There are no other external capital maintenance requirements to which the company is subject.

6. REVENUE

	The Group and the Company	
	2020 ($)	**2019($)**
Sale and distribution of pharmaceutical products	765,948,581	729,451,037

7. OTHER OPERATING INCOME

	The Group and the Company	
	2020 ($)	**2019($)**
Interest received	515,981	319,279
Commission	85,481	62,646
Insurance claim	593,043	-
Credit card cash back	678,895	-
Miscellaneous	-	400,525
	1,863,400	**782,450**





8. EXPENSES BY NATURE

Total cost of sales, administrative, selling and other operating expenses

	The Group	
	2020 ($)	**2019($)**
Cost of sales recognized as an expense	239,255,600	268,777,844
Salaries, wages and statutory contributions	136,670,952	133,794,566
Directors' fees	3,102,308	2,805,279
Telephone	3,730,587	3,729,898
Electricity	7,375,310	6,227,090
Water rates	665,854	326,035
Rent	8,342,412	46,128,927
Audit and accounting fees -		
Current year	4,500,000	3,400,000
Subscription and donations	2,681,151	707,924
Gift	1,324,922	1,725,502
Printing, stationery and office supplies	4,732,944	3,355,950
Security	2,905,796	5,081,885
Insurance	8,162,397	8,665,205
Repairs and maintenance – furniture and equipment	6,484,821	7,480,749
Maintenance fee - building	676,982	471,816
Trade licence, registration fee and trademark	406,700	1,519,975
Bank charges and interest	3,296,658	3,500,142
Staff welfare	5,661,489	6,416,307
Legal and professional fees	9,144,326	5,950,084
Drug permit	1,179,800	262,129
Interest and penalty	590,107	9,448,053
Cleaning and Sanitation	135,345	291,280
Contract labour	1,864,040	1,794,102
Advertising and promotion	4,744,753	10,312,667
Packaging	325,155	459,443
Bad debt	57,751	-
Bad debt provision	2,527,281	7,602,156
Postage and delivery	482,068	474,411
Motor vehicles, travel and entertainment	36,623,212	45,216,637
Royalties	7,500,000	7,500,000
Finance charge	162,762	160,531
Miscellaneous	35,510	1,051,676
Depreciation	48,903,104	12,261,522
	554,252,097	**606,899,785**

	The Company	
	2020 ($)	**2019($)**
Cost of sales recognized as an expense	239,255,600	268,777,844
Salaries, wages and statutory contributions	136,670,952	133,794,566
Directors' fees	3,102,308	2,805,279
Telephone	3,730,587	3,729,898
Electricity	7,375,310	6,227,090
Water rates	665,854	326,035
Rent	8,342,412	46,128,927
Audit and accounting fees -		
Current year	3,800,000	3,400,000
Subscription and donations	2,681,151	707,924
Gift	1,324,922	1,725,502
Printing, stationery and office supplies	4,732,944	3,355,950
Security	2,905,796	5,081,885
Insurance	8,162,397	8,665,205
Repairs and maintenance – furniture and equipment	6,484,821	7,480,749
Maintenance fee - building	676,982	471,816
Trade licence, registration fee and trademark	406,700	1,519,975
Bank charges and interest	3,296,658	3,500,142
Staff welfare	5,661,489	6,416,307
Legal and professional fees	9,144,326	5,950,084
Drug permit	1,179,800	262,129
Interest and penalty	590,107	9,448,053
Cleaning and Sanitation	135,345	291,280
Contract labour	1,864,040	1,794,102
Advertising and promotion	4,744,753	10,312,667
Packaging	325,155	459,443
Bad debt	57,751	-
Bad debt provision	2,527,281	7,602,156
Postage and delivery	482,068	474,411
Motor vehicles, travel and entertainment	36,623,212	45,216,637
Royalties	7,500,000	7,500,000
Finance charge	162,762	160,531
Miscellaneous	35,510	1,051,676
Depreciation	48,903,104	12,261,522
	553,552,097	**606,899,785**

9. FINANCE COSTS

	The Group and the Company	
	2020 ($)	**2019($)**
Interest expense	9,185,983	196,728

10. TAXATION EXPENSE

Taxation is based on the operating results for the year, adjusted for taxation purposes, and comprises income tax @ 25%.

	The Group and the Company	
	2020 ($)	**2019($)**
Prior year under provision	2,029,220	-
Deferred taxation (Note 24)	-	(3,117,744)
Taxation charge in statement of profit or loss and other comprehensive income	2,029,220	(3,117,744)

The tax on profit before taxation differs from the theoretical amount that would arise, using the applicable tax rate of 25%, as follows:

	2020 ($)	**2019($)**
Profit before taxation	208,678,628	127,844,361
Tax calculated at the applicable tax rates	52,169,657	31,961,090
Adjusted for the effects of:		
Expenses not deductible for tax purposes	14,791,244	6,853,067
Net effects of other charges and allowances	(1,424,821)	(1,251,926
Remission of taxes	(63,506,860)	(37,562,231)
Deferred taxation	-	(3,117,744)
Taxation charge in statement of profit or loss and other comprehensive income	2,029,220	(3,117,744)

As a result of the company's listing on the Junior Market of the Jamaica Stock Exchange effective August 2018, the company is entitled to a remission of taxes for ten (10) years providing it adheres to the rules and regulations of the Junior Market of the Jamaica Stock Exchange as follows:

• Years 1 – 5: (August 2018 – July 2023) 100% • Years 6 – 10:(August 2023 – July 2028) 50%

The financial statements have been prepared on the basis that the company will have the full benefits of the tax remission.

11. EARNINGS PER STOCK UNIT

	2020 ($)	2019($)
Net profit attributable to stockholders	206,649,408	130,962,105
Weighted average number of stock unit in issue	1,332,536,649	1,332,536,649
Earnings per stock unit (cents per share)	0.16	0.10

Basic earnings per stock unit is calculated by dividing the net profit attributable to stockholders by the number of ordinary stock units in issue at year end.

12. INTANGIBLE ASSET

Intangibles relate to two pharmaceutical drugs being developed by the company through an agreement with KP Pharmaceutical Technology Inc.

13. RIGHT-OF-USE ASSET

The company adopted IFRS 16, 'Leases' as on 1 November 2019 and recognized right-of-use asset and lease liability (note 22). There was no impact on retained earnings at the date of transition.

1. Amounts recognised in the statement of financial position.

a) The statement of financial position shows the following amounts relating to leases:

The Group and the Company

	2020 ($)
Right-of-use assets	
Building	
On recognition	114,824,755
Depreciation	37,601,910
Balance at 31 October 2020	**77,222,845**

Recognition of the right-of-use assets upon the adoption of IFRS 16 is $114,824,755.

2. Amounts recognised in the statement of comprehensive income

The statement of comprehensive income shows the following amounts relating to leases:
Depreciation charge of right-of-use assets

The Group and the Company

	2020 ($)
Building	37,601,910

Right –of-use assets are measured at cost comprising the following:
- the amount of the initial measurement of lease liability.
- Any lease payments made at the commencement date less any lease incentives received.

Right-of-use assets are generally depreciated over the lease term on a straight-line basis. If the company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

14. INVESTMENT IN SUBSIDIARY:

The company owns 100% of Indies Pharma Business Park Limited.

15. INVESTMENT

This represents participation in an indexed linked US$ note issued by Proven Investment Limited which matures April 16, 2024 and earns interest at 3.25% per annum.

16. PROPERTY, PLANT AND EQUIPMENT

	The Group						
	Land ($)	Leasehold Improvements & Building	Furniture, Fixtures & Equipment ($)	Computer ($)	Motor Vehicles ($)	Signs ($)	Total ($)
Year ended 31 October 2020							
Net book value							
1 November 2019	27,700,000	86,681,860	1,428,292	992,820	20,331,557	1	137,134,530
Disposal	-	-	-	-	(1)	-	(1)
Additions	405,822,915	25,411,680	-	-	-	-	431,234,595
Revaluation	70,713,884	-	-	-	-	-	70,713,884
31 October 2020	504,236,799	111,036,040	1,162,727	437,798	10,908,449	1	627,781,814
At cost or valuation	504,236,799	122,668,540	6,845,577	10,623,309	62,476,518	63,401	706,914,144
Depreciation	-	(11,632,500)	(5,682,850)	(10,185,511)	(51,568,069)	(63,400)	(79,132,330)
31 October 2020	504,236,799	111,036,040	1,162,727	437,798	10,908,449	1	627,781,814
Year ended 31 October 2019							
Net book value							
1 November 2018	27,700,000	32,782,500	1,616,097	2,643,380	27,673,384	9,453	92,424,814
Disposal	-	-	-	-	(3,300,413)	-	(3,300,413)
Additions	-	54,956,860	78,741	-	5,236,051	-	60,271,652
Depreciation	-	(1,057,500)	(266,546)	(1,650,560)	(9,277,465)	(9,452)	(12,261,523)
31 October 2019	27,700,000	86,681,860	1,428,292	992,820	20,331,557	1	137,134,530
At cost or valuation	27,700,000	97,256,860	6,845,577	10,623,309	64,476,518	63,401	206,965,665
Depreciation	-	(10,575,000)	(5,417,285)	(9,630,489)	(44,144,961)	(63,400)	(69,831,135)
31 October 2019	27,700,000	86,681,860	1,428,292	992,820	20,331,557	1	137,134,530

	The Company						
	Land ($)	Leasehold Improvements & Building	Furniture, Fixtures & Equipment ($)	Computer ($)	Motor Vehicles ($)	Signs ($)	Total ($)
Year ended 31 October 2020							
Net book value							
1 November 2019	27,700,000	86,681,860	1,428,292	992,820	20,331,557	1	137,134,530
Disposal	-	-	-	-	(1)	-	(1)
Additions	-	25,411,680	-	-	-	-	25,411,680
Depreciation	-	(1,057,500)	(265,565)	(555,022)	(9,423,107)	-	(11,301,194)
31 October 2020	27,700,000	111,036,040	1,162,727	437,798	10,908,449	1	151,245,015
At cost or valuation	27,700,000	122,668,540	6,845,577	10,623,309	62,476,518	63,401	230,377,345
Depreciation	-	(11,632,500)	(5,682,850)	(10,185,511)	(51,568,069)	(63,400)	(79,132,330)
31 October 2020	27,700,000	111,036,040	1,162,727	437,798	10,908,449	1	151,245,015
Year ended 31 October 2019							
Net book value							
1 November 2018	27,700,000	32,782,500	1,616,097	2,643,380	27,673,384	9,453	92,424,814
Disposal	-	-	-	-	(3,300,413)	-	(3,300,413)
Additions	-	54,956,860	78,741	-	5,236,051	-	60,271,652
Depreciation	-	(1,057,500)	(266,546)	(1,650,560)	(9,277,465)	(9,452)	(12,261,523)
31 October 2019	27,700,000	86,681,860	1,428,292	992,820	20,331,557	1	137,134,530
At cost or valuation	27,700,000	97,256,860	6,845,577	10,623,309	64,476,518	63,401	206,965,665
Depreciation	-	(10,575,000)	(5,417,285)	(9,630,489)	(44,144,961)	(63,400)	(69,831,135)
31 October 2019	27,700,000	86,681,860	1,428,292	992,820	20,331,557	1	137,134,530

17. RECEIVABLES

	The Group and the Company	
	2020 ($)	**2019($)**
Trade receivables	159,983,275	139,379,749
Less: Expected credit loss	(13,043,360)	(10,516,078)
	146,939,915	**128,863,671**
Prepayments	57,489,559	3,028,790
Shareholders' loan	-	135,590,400
General consumption tax	1,849,025	-
Other	15,320,771	25,495,937
	221,599,270	**292,978,798**

18. DIRECTORS' CURRENT ACCOUNT

Director current account is unsecured and interest free with no fixed repayment terms.

19. CASH AND BANK BALANCES

	The Group and the Company	
	2020 ($)	**2019($)**
Petty cash	201,123	201,121
Cash on hand	5,512,553	6,852,425
First Global Bank – Savings Account	367,855	367,855
National Commercial Bank Jamaica Limited – Foreign Currency Account	12,952,316	31,098,578
National Commercial Bank Jamaica Limited – Current Account	3,472,660	7,574,261
National Commercial Bank Jamaica Limited – Savings Account	39,495,076	13,965,079
GK Capital Account	-	6,895,575
Sagicor Bank Jamaica Limited – Current Account	1,211,190	1,762,100
Sagicor Bank Jamaica Limited – Savings Account	218,505,123	8,255,181
Sagicor Bank Jamaica Limited – Foreign Currency Savings Account	31,930,378	37,806,546
	313,648,274	**114,778,721**
Bank overdraft (Note 26)	(3,312,010)	-
	310,336,264	**114,778,721**

20. SHARE CAPITAL

	The Group and the Company	
	2020 ($)	**2019($)**
Authorized		
4,863,553,500 ordinary shares		
Stated capital		
Issued and fully paid		
1,332,536,649 ordinary shares of no par value	264,437,844	264,437,844
Less transaction costs of share issue	(19,860,845)	(19,860,845)

21. CAPITAL RESERVE

	The Group	
	2020 ($)	**2019($)**
At 1 November 2019	**110,923,182**	**105,773,595**
Movement during year		
Revaluation gain on fixed assets	70,713,884	-
Profit on disposal of fixed assets	699,999	5,149,587
At 31 October 2020	**182,337,065**	**110,923,182**
Representing		
Revaluation surplus on land and building	170,020,989	99,307,105
Profit on disposal of fixed assets	12,316,076	11,616,077
	182,337,065	**110,923,182**

	The Company	
	2020 ($)	**2019($)**
At 1 November 2019	**110,923,182**	**105,773,595**
Movement during year		
Profit on disposal of fixed assets	699,999	5,149,587
At 31 October 2020	**182,337,065**	**110,923,182**
Representing		
Revaluation surplus on land and building	99,307,105	99,307,105
Profit on disposal of fixed assets	12,316,076	11,616,077
	111,623,181	**110,923,182**

22. LEASE LIABILITIES

The company currently has long term lease agreements related to buildings.

1. Amounts recognised in the statement of financial position

The statement of financial position shows the following amounts relating to leases:

	The Group and the Company
	2020 ($)
Lease liabilities	
Contractual discounted cash flows	77,051,772
Less: Current portion	(35,856,814)
Non-Current	**41,194,958**

2. Amounts recognised in the statement of comprehensive income

The statement of comprehensive income shows the following amounts relating to leases

	The Group and the Company
	2020 ($)
Interest expense	9,185,983

Incremental borrowing rate: The incremental borrowing rate is derived using recent third-party financing received by bankers as a starting point, adjusted to reflect changes in financing conditions since third party financing was received, and makes adjustments specific to the lease, e.g. term, country, currency and security

The weighted average rate applied is 8%.

23. LONG-TERM LOAN

	The Group and the Company	
	2020 ($)	**2019($)**
7% Bond 2025	805,000,000	-

On September 8, 2020 the company issued a private bond of $805,000,000. The Bond matures September 2025 and has a fixed rate of 7% per annum with interest payable quarterly.

The Bond is secured by mortgage by way of guarantee over the property owned by Indies Pharma Business Park Limited; Debenture over all floating and fixed assets of the company; Deed of Subordination issued by the company for all inter-company and shareholders' loans and advances, as well as maintenance of a Debt Service Reserve Account funded with a minimum of three (3) months' interest payments payable under the Bond.

24. DEFERRED TAXES

Deferred taxes are calculated in full on temporary differences under the liability method using a principal tax rate of 25%. The movement on the deferred tax account is as follows:

	The Group and the Company	
	2020 ($)	**2019($)**
Balance at beginning of year	-	3,117,744
Credit to statement of profit or loss and other comprehensive income (Note 10)	-	(3,117,744)
	-	-

Deferred taxation represents accelerated tax depreciation.

25. PAYABLES

	The Group		The Company	
	2020 ($)	**2019($)**	**2020 ($)**	**2019($)**
Trade payables	57,132,661	54,289,097	57,132,661	54,289,097
General consumption tax	-	4,117,522	-	4,117,522
Other payables and accruals	22,540,942	9,007,676	21,840,942	9,007,676
	79,673,603	**67,414,295**	**78,973,603**	**67,414,295**

26. SHORT-TERM BORROWINGS

	The Group and the Company	
	2020 ($)	**2019($)**
National Commercial Bank Jamaica Limited – Bank overdraft	3,312,010	-
National Commercial Bank Jamaica Limited – Credit Card Account	2,828,564	7,859,873
Sagicor Bank Jamaica Limited – Credit Card Account	9,871	400,705
	6,150,445	**8,260,578**

27. RELATED PARTY TRANSACTIONS AND BALANCES

a. Key management compensation

	2020 ($)	**2019($)**
Salaries and other short-term benefits	22,000,000	20,256,667
Directors' emoluments		
Directors' fees	3,102,308	2,805,279
Management remuneration (above)	22,000,000	20,256,667

b. Year end balances arising from transactions with related companies

	The Group	
	2020 ($)	**2019($)**
Due from		
Mercury Wireless Limited	62,145,502	9,975,378
	62,145,502	**9,975,378**
Due to		
Bioprist Holdings Limited	23,592,633	-
Bioprist Las America Limited.	3,750,000	-
	27,342,633	**-**

The group is related to the above companies by having similar ownership and/or management control. Balances due from and/or due to these groups have no set repayment terms and are interest free. There are guarantees given by related parties for loans extended to the group.

The director's current account

The directors' balances are unsecured, interest free and have no set repayments terms.

a. Key management compensation

	The Company	
	2020 ($)	**2019($)**
Salaries and other short-term benefits	22,000,000	20,256,667
Directors' emoluments		
Directors' fees	3,102,308	2,805,279
Management remuneration (above)	22,000,000	20,256,667

a. (b) Year end balances arising from transactions with related companies

	2020 ($)	**2019($)**
Due from		
Indies Pharma Business Park Limited	412,581,949	-
Mercury Wireless Limited	17,161,368	9,975,378
Bioprist Holdings Limited	14,632,367	-
	444,375,684	**9,975,378**
Due to		
Bioprist Las America Limited.	3,750,000	-
	3,750,000	**-**

The company is related to the above companies by having similar ownership and/or management control. Balances due from and/or due to these companies have no set repayment terms and are interest free. There are guarantees given by related parties for loans extended to the company.

The director's current account

The directors' balances are unsecured, interest free and have no set repayments terms.

28. DIVIDENDS

	The Group and the Company	
	2020 ($)	2019($)
Dividends paid at .14 per stock units	186,555,131	106,602,932

29. STAFF COSTS

Staff costs for the year amounted to $136,670,952 - (2019 – $133,794,566), while the number of employees at year end was sixty-four (64) (2019 – 69).

30. IMPACT OF COVID-19

The World Health Organization declared the novel Coronavirus (COVID-19), outbreak a pandemic on 11 March 2020. The pandemic and the measures to control its human impact have resulted in disruptions to economic activities and business operations. This could have negative financial effects on the group, depending on factors such as the duration and spread of the outbreak and the effects on the business sector, all of which are highly uncertain and cannot be estimated reliably.

At the date of approval of these financial statements, the group is unable to determine the full financial impact on the group's overall business operations, however, management will continue to monitor the situation and the impact on the group and take steps to mitigate unfavourable effects.





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