



Kopran

ONE DIRECTION, ENDLESS OPPORTUNITIES



KOPRAN LIMITED

Annual Report
2020-2021

ACROSS THE PAGES

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Investor Information

CIN: L24230MH1958PLC011078

BSE Code: 524280

NSE Symbol: KOPRAN

Bloomberg Code: KOP:IN

AGM Date: 31st August, 2021



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[http://www.kopran.com/
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to download

Disclaimer:

This document contains statements about expected future events and financials of Kopran Limited, which are forward looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

ONE DIRECTION, ENDLESS OPPORTUNITIES

The only limits we have are the ones we place on ourselves.

At Kopran Limited ('Kopran' or 'the Company'), we have always believed in stepping out of our comfort zone to move away from 'what is' and go beyond 'what is possible'.

Over the years, we have directed all our efforts in one direction. We have consistently focussed on our core and found new opportunities, developed new products and utilised new technologies to simply go beyond the existing as a growing company and advance towards our sustainable growth - exploring everything that we can be.

Since inception, we have been drawing inspiration from the possibilities we've had and taken on the challenges that came along to gradually transform into something new each time.

As a Company, we believe this understanding of who we are and what we can be is the first step towards achieving success. And Kopran has always continued to push through the boundaries of what is possible and constantly worked to create opportunities that give the Company an edge. Thereby providing value to our shareholders. Every aspect of our business is driven by a singular focus of innovation, which fuels our performance. When we look at long-term growth, there is only **ONE DIRECTION** that defines who we are, what we do, how we operate and **ENDLESS OPPORTUNITIES** to explore and reach our true potential.

Key KPIs

₹ 50,980 Lakhs
Revenue for FY 2020-21

₹ 9,999.43 Lakhs
EBITDA for FY 2020-21

₹ 6,160 Lakhs
PAT for FY 2020-21

₹ 14.24
EPS for FY 2020-21



KOPRAN

At a Glance

An integrated pharmaceutical company committed to supply best-in-class quality Formulations and Active Pharmaceutical Ingredients (APIs) Intermediates globally.

Kopran Limited ('Kopran' or 'the Company' or 'we') manufactures world-class quality Finished Dosage Forms and Active Pharmaceutical Ingredients (APIs). The Company's products are globally registered and its manufacturing facilities are accredited in all continents. The Finished Dosage Forms Plants are located in Khopoli, Maharashtra. The APIs plant is located in Mahad, Maharashtra, and it operates under Kopran Research Laboratories Ltd. (KRL), a wholly owned subsidiary of Kopran Limited. The Company supplies its products to over 50 countries, including the USA, Latin America, South East Asia, China, United Kingdom, South Africa, Australia, the European Union, and African countries. Being a technology-focused Company, it caters to both Regulated and Non-Regulated Market. With international quality products and services, Kopran aims to serve people and society.





Mission

To create a sustainable growth business through integrated approach to product development ,adoption of latest technologies and highest standards of quality and manufacturing practices.

As a socially conscious organisation, our endeavor is to provide medicines to people at affordable prices.



50+ Nations

Export Reach

2

Manufacturing
Facilities

ONE MOTTO, ENDLESS POSSIBILITIES

Our Strong Portfolio of Products

Present across two vital stages in the whole pharmaceutical value chain, we manufacture a comprehensive range of APIs and Formulations. Our diverse and competitive product basket of specialty API Intermediate enables us to emerge as a leading manufacturer globally. Our perfect mix of scientific knowledge and technology prowess has enabled us to manufacture products as per global standards. Our product offering is distinguished by superior quality, innovation, and technological capabilities. This enables us to cater to millions of patients worldwide.

Formulations

We manufacture an array of oral solid dosages and dry powder formulations for both penicillin and non-penicillin-based drugs. Our accreditations across 13 countries allow us to serve both, the regulated as well as the unregulated global markets. Meeting the standards of international markets we manufacture dosages for international markets which includes Tablets, Capsules, Dry Powder and Suspension.

100+

Dosages Manufactured

211 dossiers

Filed in FY 2020-21

Our Manufacturing Strengths

11,432 sq. mtrs.
Built-up Area

Penicillin-based Dosage Forms

1,747 Million
Capsules

31 Million
Dry Syrup bottles

1,553 Million
Tablets

Non-Penicillin-based Dosage Forms

2,000 Million
Tablets (uncoated)

1,000 Million
Tablets (coated)

947 Million
Capsules

Our Manufacturing Capabilities

Penicillin-based Finished Dosage Forms

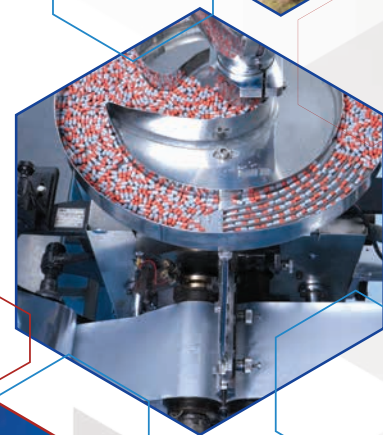
- Anti-infective
- Amoxicillin
- Ampicillin
- Cloxacillin
- Amoxy Clauv

Non-Penicillin-based Finished Dosage Forms

- Macrolides
- Anti-hypertensive
- Cardiovascular
- Anti-helmentics
- Anti-histamine
- EDS
- Anti-diabetic
- CNS
- Pain Management
- Gastroenterology

Our Manufacturing Accreditations

- MHRA (UK)
- SAPHRA South Africa (formerly MCC)
- TMDA Tanzania (formerly TFDA)
- NDA Uganda
- PPB Kenya
- MCAZ Zimbabwe
- MOH Oman
- MOH Iraq
- FMHACA Ethiopia
- MOH Yemen
- FDA Philippines
- TGA Australia
- MOH Ivory Coast



APIs

APIs form a crucial part of the value chain, and at Kopran, the API business is channelled through our wholly owned subsidiary Kopran Research Laboratories Ltd. (KRL). With a state-of-the-art facility we are involved in the research, development, manufacturing and sale of diverse APIs and Advanced Intermediates. This allows us to manufacture a spectrum of APIs and Intermediates.

The Company has dedicated and versatile facilities for manufacturing of Atenolol, Pregabalin, Cephalosporins-Non-Sterile & Sterile, Macrolides, Granules, Sterile Carbapenems, Multipurpose plants, Pilot plants, Neuromodulator.



Major developments of FY 2020-21

1 Product
Commercialised

6 Products
Validation batches taken

8 Products
R&D completed

Our Manufacturing Strengths

11,900 sq. mtrs.
Built-up Area

20+
Products commercialised

20
DMF filings in various markets

Our Manufacturing Capabilities

- Anti-hypertensive
- Macrolides
- Neuromodulator
- Urological
- Anti-infective/Anti-acne
- Sterile Carbapenems
- Sterile Cephalosporins
- Anti-thrombosis
- Gastroenterology

Our Manufacturing Accreditations:

- US FDA*
- EU GMP*
- WHO GMP
- COFEPRIS & KFDA*



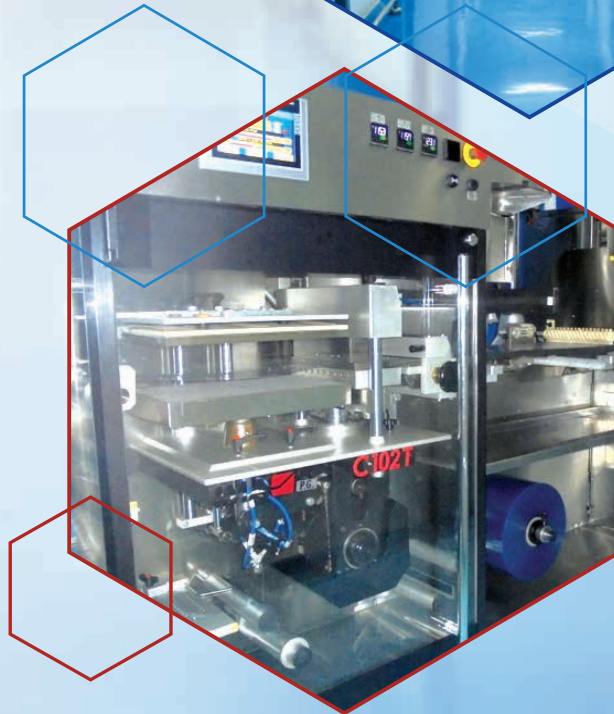
*except for sterile block

ONE-WAY, ENDLESS MILESTONES

Research and Development

Our R&D team ideates, develops and manufactures products using an innovative approach with a single goal of providing high-quality API and formulations. The R&D team is well supported by a team of dedicated scientists of extensive experience in Organic Chemistry. This propels us to provide our customers with a wide range of services in Organic Synthesis for custom manufacturing and the production of Active Pharmaceutical Ingredients.

The state-of-the-art Research Centre at Kopran is supported by pilot plant, which underpins Kopran's understanding of challenges of increasing customer demands. Our dedicated and independent research team helps in assuring customers about confidentiality and exclusively.



Formulations

Our strong development support provides us with the ability to manufacture high quality penicillin and non-penicillin-based finished dosage forms. With this prowess we are today able to meet the needs of International markets with a range of more than 100 dosage forms, including Tablets, Capsules, Dry Powder, Suspension and Injectables. Our backward integration of manufacturing APIs provides us with a competitive edge for both branded and generic formulations. Our focus on newer and unique dosage forms like, SR Tabs, Mouth Dissolving Tabs as a tool will add value and reinforce our current product portfolio.

APIs

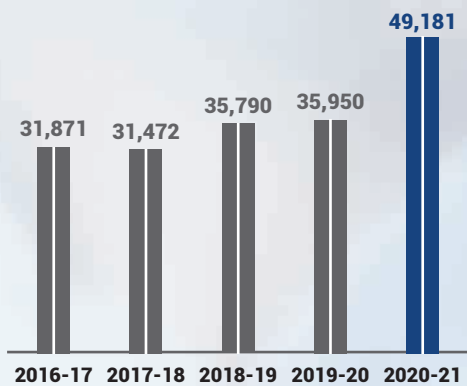
With an endeavour to leverage on the in-house expertise and in-house research, our API division has concentrated on high-value drugs, which require technological expertise. Our strong R&D team ensures smooth production of various organic intermediates and Active Pharmaceutical Ingredients. This has helped us achieve a well-defined Quality Management System according to the current Good Manufacturing Practices.

The team has also underpinned our efforts in keeping compliance to cGMP norms which assure the high-quality standard of our products. Our extensive experience in Organic Chemistry coupled with cGMP capabilities allows us to provide our customers with a wide range of services in Organic Synthesis for custom manufacturing and the production of APIs.

The team of dedicated scientists with a state-of-the-art Research Centre are also supported by pilot plant, meeting the challenges of increasing customer demands. The independence of the research team means that customers are assured that Contract Research is carried out confidentially and exclusively. Also, as part of our responsibility towards environment protection we are continuously putting efforts towards pollution and energy reduction.



FINANCIAL HIGHLIGHTS



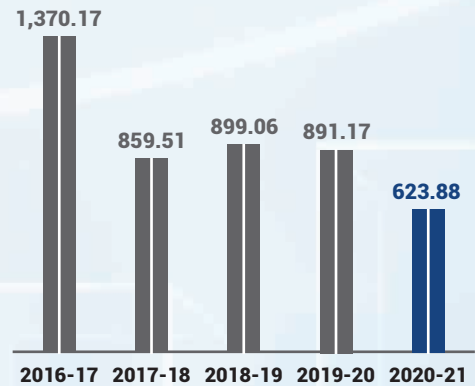
REVENUE FROM OPERATIONS
(₹ IN LAKHS)



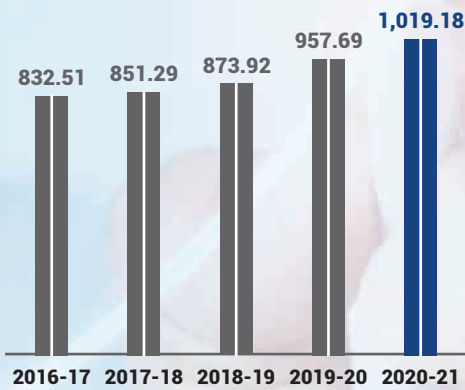
PROFIT AFTER TAX
(₹ IN LAKHS)



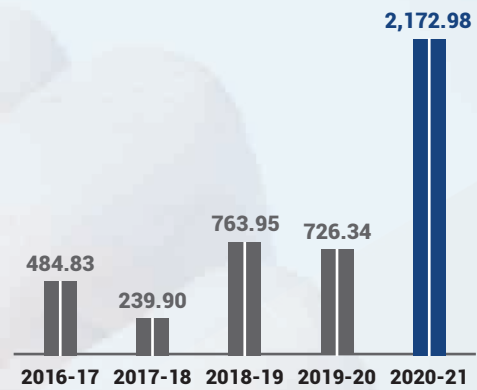
EBITDA
(₹ IN LAKHS)



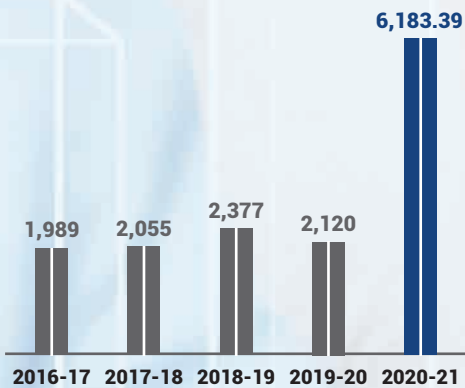
FINANCE COST
(₹ IN LAKHS)



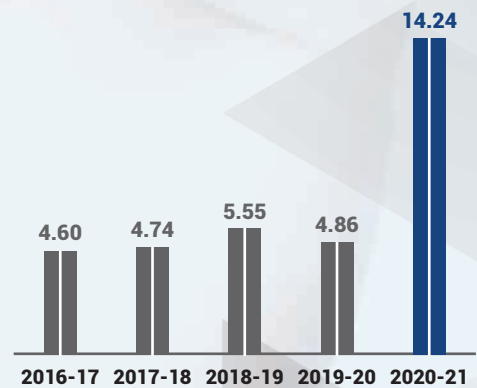
DEPRECIATION
(₹ IN LAKHS)



TAX EXPENSES
(₹ IN LAKHS)



NET PROFIT
(₹ IN LAKHS)



EARNINGS PER SHARE
(₹)

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Susheel G. Somani

Chairman

Mr. Surendra Somani

Executive Vice Chairman

Mr. Adarsh Somani

Director

Mrs. Mamta Biyani

Independent Director

Mr. Narayan Atal

Independent Director

Dr. Siddhan Subramanian

Independent Director

Dr. Sunita Banerji

Independent Director

Mr. Varun Somani

Director

CHIEF FINANCIAL OFFICER

Mr. Basant K. Soni

COMPANY SECRETARY

Mr. Sunil Sodhani

STATUTORY AUDITORS

M/s. Khandelwal Jain & Co.

Chartered Accountants

INTERNAL AUDITORS

M/s. STDJ & Company

Chartered Accountants

SECRETARIAL AUDITORS

PCS Nirali Mehta (FY 20-21)

PCS P. P. Singh & Co (FY 21-22)

REGISTRAR & TRANSFER AGENT

M/s. Bigshare Services Pvt. Ltd. Mumbai.

BANKERS

State Bank of India

The Federal Bank Limited

RBL Bank Limited

Yes Bank Limited

REGISTERED OFFICE

"Parijat House",

1076, Dr. E. Moses Road, Worli,

Mumbai – 400018.

Tel. No.: 022-43661111

Email: investors@kopran.com

FORMULATION UNIT

Village Savroli, Taluka Khalapur,

Dist. Raigad, Khopoli, Maharashtra–412202

Tel. No.: 02192-274500

API UNIT

Kopran Research Laboratories Ltd.

(Subsidiary Company) K-4/4, Additional

MIDC, At/Post : Birwadi, Taluka: Mahad, Dist.:

Raigad, Maharashtra– 402302

Tel. No.: 02145-251101

Directors Report

Dear Members,

Your Directors have pleasure in presenting their 62nd Annual Report together with the Audited Financial Statements for the financial year ended on 31st March, 2021. The Consolidated performance of the Company & its subsidiaries has been referred to wherever required.

1. FINANCIAL PERFORMANCE

(₹ in Lakhs)

Particulars for the Financial Year	Standalone Basis		Consolidated Basis	
	2020-21	2019-20	2020-21	2019-20
For the Period Ended				
Total Revenue	23,325	18,128	50,980	36,013
Less Expenses	20,054	16,555	42,646	33,129
Profit before Exceptional Items & Tax	3,271	1,573	8,334	2,884
Less Exceptional Items	-	-	-	(55)
Profit before Tax	3,271	1,573	8,334	2,828
Tax Expenses	923	451	2,173	726
Net Profit / (Loss) for the Period	2,347	1,122	6,161	2,102
Other Comprehensive Income / (Loss)	19	1	23	18
Total Comprehensive Income / (Loss)	2,366	1,123	6,183	2,120

The Company has prepared the Standalone & Consolidated Financial Statements in accordance with the Companies (Indian Accounting Standards) Rules, 2015 as prescribed under Section 133 of the Companies Act 2013 ("the Act") and generally accepted accounting principles in India.

2. OPERATIONS & STATE OF AFFAIRS OF THE COMPANY

Standalone Performance

Standalone Total Revenue was ₹ 23,325 Lakhs as against the previous year's figures of ₹ 18,128 Lakhs, increased by 28.67%. Profit before tax was ₹ 3,271 Lakhs, increased by 107.95% over the previous year's figures of ₹ 1,573 Lakhs. Total Comprehensive Income was ₹ 2,365 Lakhs, increased by 110.60% over the previous year's figures of ₹ 1,123 Lakhs.

Consolidated Performance

Consolidated Total Revenue was ₹ 50,980 Lakhs as against the previous year's figures of ₹ 36,013 Lakhs, increased by 41.56%. Profit before tax was ₹ 8,334 Lakhs, increased by 194.70% over the previous year's figures of ₹ 2,828 Lakhs. Total Comprehensive Income was ₹ 6,183 Lakhs, increased by 191.65% over the previous year's figures of ₹ 2,120 Lakhs.

Operations of the Company & its Subsidiary

(₹ In Lakhs)

Particulars		2020-21	2019-20	% Change +/- (-)
Formulations	Exports	20,935	16,672	25.57
	Local	1,348	1,257	7.24
Total		22,283	17,929	24.28
Active Pharmaceutical Ingredient (API)*	Exports	19,556	11,455	70.72
	Local	9,460	7,810	21.13
Total		29,016	19,265	50.62

*Operations of the Koproan Research Laboratories Limited, Subsidiary Company.

During the financial year the turnover in Formulations was ₹ 22,283 Lakhs as compared to ₹ 17,929 Lakhs in the previous year, higher by 24.28%.

Directors Report (Contd.)

During the financial year, Kopran Research Laboratories Limited, Subsidiary Company turnover was ₹ 29,016 Lakhs as compared to ₹ 19,265 Lakhs in the previous year, higher by 50.62%.

3. DIVIDEND

The Board of Directors at the meeting held on 28th October, 2020 declared interim dividend of ₹ 1.50 per Equity share having face value of ₹ 10 each.

The Directors of your Company recommend a Final dividend of ₹ 1.50 per Equity share having face value of ₹ 10 each, subject to the approval of the Members. Hence the Companies total dividend payout is 30% on the face value of Equity shares of ₹ 10 each i.e. ₹ 3 per Equity Share, for the financial year ended 2021.

According to Regulation 43A of the Listing Regulations, the top 1000 listed entities based on market capitalization, calculated as on 31st March of every financial year are required to formulate a dividend distribution policy which shall be disclosed on the website of the listed entity and a web-link shall also be provided in their annual reports. Accordingly, the Dividend Policy of the Company can be accessed using the following link: <http://kopran.com/investors/policy/>

4. SHARE CAPITAL

The paid up Equity Share Capital as on 31st March, 2021 was ₹ 43.25 crores. During the year under review, the Company has not issued any shares. The Company has not issued shares with differential voting rights. It has neither issued employee stock options nor sweat equity shares and does not have any scheme to fund its employees to purchase the shares of the Company. During the Financial Year the Company has issued demand cum forfeiture Notice to the holders of partly paid up Equity shares of the Rights Issue in the year 2002. The Company has forfeited 1,996 partly paid up Equity shares due to non-payment of allotment money

5. MANAGEMENT DISCUSSION AND ANALYSIS

The Report on Management Discussion and Analysis as required under SEBI (LODR) Regulations, 2015 as amended is provided as a separate section in **Annexure A** of this Report.

6. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

A statement containing the salient features of the financial statements of subsidiary / associate / joint venture companies, as per Section 129(3) of the Act, is part of the consolidated financial statements.

Kopran Research Laboratories Ltd., Kopran (H.K.) Ltd., and Kopran Lifesciences Ltd. are the subsidiaries of the Company. Salient features and financial summary is provided as a separate section in **Annexure B** of this Report.

The Financials of the Subsidiaries are placed on the website of the Company <http://kopran.com/> any Shareholders interested in obtaining a copy of the Financial Statements of the Subsidiary companies may write to the Company Secretary at the Company's registered office.

7. DIRECTORS & KEY MANAGERIAL PERSONNEL

In accordance with the provisions of section 152 and other applicable provisions of the Companies Act 2013, alongwith Regulation 17(1A) of SEBI (LODR), Mr. Susheel G. Somani (DIN: 00601727), liable to retire by rotation, offers himself for re-appointment as non-executive and non Independent Director of the Company. A Resolution seeking Shareholders approval for his re-appointment alongwith other required details form a part of the notice.

In terms of section 203 of the Companies Act, 2013 following are the Key Managerial Personnel (KMP) of the Company

Mr. Surendra Somani- Executive Vice Chairman

Mr. Basant K Soni – Chief Financial Officer

Mr. Sunil Sodhani – Company Secretary and Compliance Officer

No KMP has been appointed or has retired or resigned during the financial year..

Independent Directors of the Company have given declaration that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015. In the opinion of the Board they fulfill the conditions of independence as specified in the Act and rules made thereunder and there has been no change in the circumstances affecting their status as Independent Directors of the Company..

Directors Report (Contd.)

8. CORPORATE SOCIAL RESPONSIBILITY (CSR)

In compliance with requirements of Section 135 of the Act, the Company has laid down a CSR Policy. The composition of the Committee, contents of CSR Policy and report on CSR activities carried out and amount spent during the financial year ended 31st March, 2021 in the format prescribed under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed herewith as **Annexure C**. The total CSR spend during the financial year 2020-21 was ₹ 44.41 Lakhs which includes unspent amount of ₹ 17.37 Lakhs of previous financial years, ₹ 25.45 Lakhs towards the current financial year i.e. 2% of the average net profits of the Company made during the immediately three preceding financial years and ₹ 1.59 Lakhs, excess amount spent in the current financial year available for set off in succeeding financial years. The CSR policy is available on the Company's website on <http://kopran.com/investors/policy/>

9. MEETINGS OF THE BOARD

The details of the composition of the Board and its Committees and the number of meetings held and the attendance of Directors in such meetings are provided in the Corporate Governance Report as a separate section in **Annexure D** which forms a part of the Annual Report. There have been no instances during the year where the recommendations of the Board Committees were not accepted by the Board.

10. BOARD AND COMMITTEE EVALUATION

The Board and Committee Evaluation are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Act and SEBI Listing Regulations.

The Board's functioning was evaluated on various aspects, including inter-alia the Structure of the Board, Meetings of the Board, Functions of the Board, Professional Development, Effectiveness of Board Processes, information and functioning.

The Committees of the Board were assessed on the achievement of key responsibilities, adequacy of Committee composition and effectiveness of meetings. The Directors were evaluated on aspects such as attendance, contribution at Board/Committee Meetings and guidance/support to the Management outside Board/Committee Meetings.

In a separate meeting of independent directors, performance of non-independent directors, the Board as a whole and Chairman of the Company was evaluated, taking into account the views of executive directors and non-executive directors.

11. RISK MANAGEMENT AND INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its Business & risk management including adherence to the Company's Policies, the safeguarding of its Assets, the prevention and detection of frauds and errors, the accuracy and the completeness of the accounting records and timely preparation of reliable financial disclosure and other regulatory and statutory compliances and there were no instance of fraud during the year under review.

The Company's internal control systems are commensurate with the nature of its business, the size and complexity of its operations and such internal financial controls with reference to the Financial Statements are adequate. The Company has implemented robust processes to ensure that all internal financial controls are effectively working.

12. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS

The Directors appointment and remuneration is in accordance with the Nomination and Remuneration Policy and policy on Board Diversity as adopted by the Company. The said policies has been disclosed in the Corporate Governance Report, which is a part of this report and is also available on the Company's website on <http://kopran.com/investors/policy/>

13. RELATED PARTY TRANSACTIONS

In line with the requirements of the Act and the Listing Regulations, the Company has formulated a Policy on Related Party Transactions and the same can be accessed using the following link <http://kopran.com/investors/policy/>

Related party transactions that were entered into during the financial year were on arm's length basis and were in ordinary course of business. There are no materially significant related party transactions made by the Company which may have potential conflict with the interest of the Company. There are no material related party transactions which are not in ordinary course of business or which are not on arm's length basis and hence there is no information to be provided as required under

Directors Report (Contd.)

Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014. Suitable disclosure on related party transactions as required by the Indian Accounting Standard has been made in the notes to Financial Statement.

14. REPORT ON CORPORATE GOVERNANCE

The Report on Corporate Governance as required under Regulation 34 read with Schedule V of the SEBI Listing Regulations, 2015, forms part of this Annual Report. The requisite certificate from Ms. Nirali Mehta, Practising Company Secretaries, provided in **Annexure D**, confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Schedule V is attached to the Report on Corporate Governance.

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are operating effectively and adequately.

15. LOANS, GUARANTEE OR INVESTMENTS

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the Notes to the Financial Statements forming part of the Annual Report.

16. AUDITORS

a) Statutory Auditors

In compliance with the Companies (Audit and Auditors) Rules, 2014 M/s. Khandelwal Jain & Co. Chartered Accountants (Firm Registration No. 105049W) were appointed as Statutory Auditors of the Company for a period of five consecutive years from the conclusion of 58th AGM to the conclusion of 63rd AGM. The payments made to Auditors are given in the Report on Corporate Governance provided in **Annexure D**.

Further, the report of the Statutory Auditors along with notes to Schedules is a part of the Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

b) Secretarial Auditors

Pursuant to the provisions of Section 204 of the Act, the Board of Directors has appointed M/s. P.P. Singh & Co, Practicing Company Secretary (Membership No. A33381, COP No. 15570) to conduct the Secretarial Audit of the Company for the financial year 2020-21.

Ms. Nirali Mehta, Practicing Company Secretary has issued the Secretarial Audit Report for financial year 2020-21 for the Company and its Subsidiary Kopran Research Laboratories Limited, given in **Annexure E (i) & E (ii)** respectively. Secretarial Audit Report(s) for the financial year ended 31st March, 2021 do not contain any qualification, reservation or adverse remark.

c) Internal Auditors

The Board of Directors has re-appointed M/s STDJ & Co, Chartered Accountants (Firm Regn. No. 136551W) as Internal Auditors of the Company for the financial year 2020-21.

17. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134 (3) (c) and 134 (5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- i. In preparation of the annual accounts for the financial year ended 31st March, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year as on 31st March, 2021 and of the profit of the Company for that period;
- iii. They have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

Directors Report (Contd.)

- iv. They have prepared the Annual Accounts on a going concern basis;
- v. They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- vi. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

18. ANNUAL RETURN

Pursuant to Section 92 of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return is available on the website of the Company on the following link: <http://kopran.com/investors/communication/>

19. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, is attached as **Annexure F**.

20. PARTICULARS OF EMPLOYEES AND REMUNERATION

Disclosures pertaining to remuneration and other details required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2016 is annexed herewith as **Annexure G**. Any Shareholder interested in obtaining the information required under Rule 5(2) and (3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 may write to the Company Secretary at investors@kopran.com

21. BUSINESS RESPONSIBILITY REPORT

The Company has adopted Business Responsibility Report as required under Regulation 34 of the SEBI Listing Regulations, 2015, duly approved by the Board of Directors and it forms part of this Annual Report is annexed herewith as **Annexure H**. The Business Responsibility Report is available on the Company's website on <http://kopran.com/investors/policy/>

22. VIGIL MECHANISM

Pursuant to the provisions of Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of SEBI (LODR) Regulations, 2015, the Company has adopted a Vigil Mechanism or 'Whistle Blower Policy' for directors, employees and all stakeholders to report any concerns about unethical behavior, actual or suspected fraud or violation our Company's Code of Conduct. The same is also disclosed on the Company's web-link <http://www.kopran.com/investors/policy/pdf/Whistle%20Blower%20Policy.pdf>. It is affirmed that no personnel or stakeholder of the Company have been denied access to Audit Committee.

23. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company is committed to create and maintain an environment in which employees can work together without fear of sexual harassment, exploitation or intimidation. A Complaint Redressal Committee has been set up by your Company to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the Financial Year 2020-21, no Complaints were received.

24. OTHER DISCLOSURES/REPORTING

Your Directors further state that during the year under review:

- a) There are no pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company.
- b) No amount is transferred to General Reserve;
- c) The Company has not accepted any deposits from the public and as such, there are no outstanding deposits in terms of the Companies (Acceptance of Deposits) Rules, 2014.
- d) There were no significant/material orders passed by the Regulators or Courts or Tribunals impacting going concern status of your Company and its operations in future.
- e) There was no change in nature of Business. There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which this Financial Statement relate and the date of this Report.



Kopran

Directors Report (Contd.)

f) The Board has constituted a Risk Management Committee..

25. ACKNOWLEDGEMENTS

The Directors wish to place on record their appreciation for the continued support and co-operation by Shareholders, Bankers, Customers, Business Partners and Employees of the Company.

On behalf of the Board of Directors

Date: 27th May, 2021
Place: Mumbai

Mr. Susheel G. Somani
Chairman
(DIN: 00601727)

Mr. Surendra Somani
Executive Vice Chairman
(DIN: 00600860)

Annexure A to the Director's Report

MANAGEMENT DISCUSSION & ANALYSIS

INDIAN ECONOMY

Over the last few years, India has evolved as one of the world's fastest-growing major economies. However, the COVID-19 outbreak in March 2020 dampened the pace to say the least. In order to prevent a large-scale spread, the Government declared a nationwide lockdown. A necessary move to curb the pandemic's expanse, but these restrictions on logistics and non-essential business activities stimulated a financial disaster. In addition to logistical limitations, a setup of lesser demand and supply chain issues, resulted in a significant slowdown for the economy in the first half of FY 2020-21. However, as the nation began unlocking in May 2020, there were initial signs of recovery in the domestic markets. Moreover, a combination of improving high-frequency macro & micro-indicators coupled with healthy crop-cycles, well-performing monsoons, and rural demand helped in economic recovery. However, the second wave of the virus and its related lockdown has again caused disruptions in the economy and a temporary slowdown to the recovery.

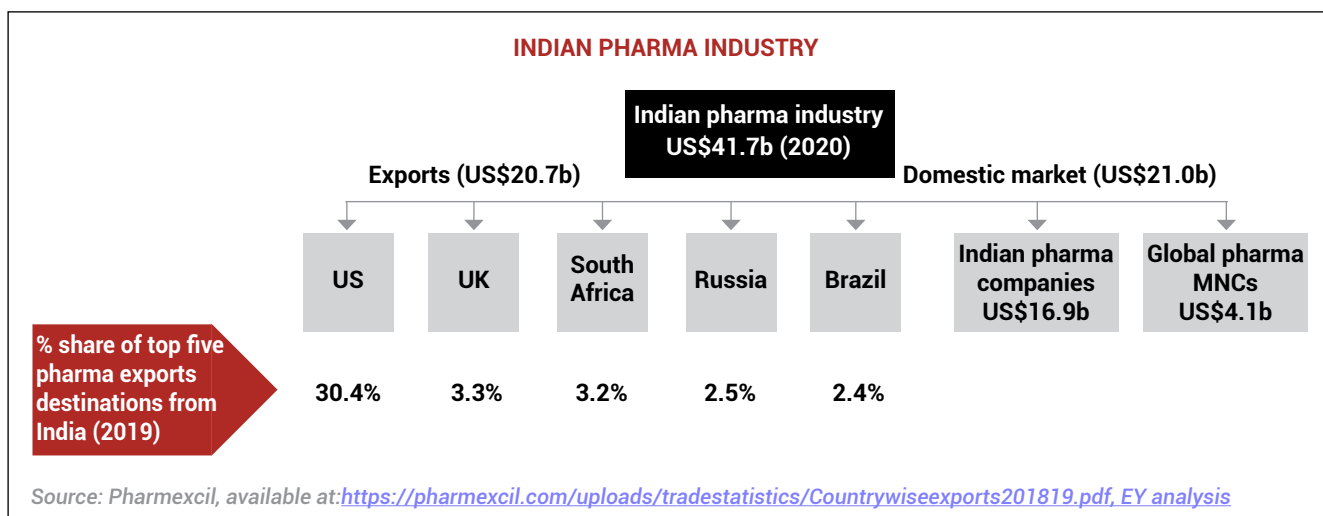
OUTLOOK

India witnessed a strong rebound pattern in Q4. The fiscal stimulus packages issued by the Government, increased capital outlays, and favourable investment policies as part of the Union Budget 2021-22 supported this recovery. However, with the re-emergence of COVID-19 in March 2021, the expected real GDP growth of 10.5% in FY 2021-22 seems difficult. Courtesy the second wave, India's real GDP growth in FY 2021-22 may finish lower than expected. However, experts believe India will rebound in FY 2022-23 with a projected 6.8% growth over FY 2021-22. Despite the recent disruptions, India's economic activity has been gathering strength, with demand and supply sides staging an appreciable recovery, improved mobility, and optimism due to a sustained vaccination rollout programme, growth-enhancing proposals in the Union Budget, and reasonably favourable monetary conditions. However, India's growth outlook could also depend on the trajectory of global economic recovery, in view of external trade linkages, hardening crude oil prices, and competition in the export market.

INDUSTRY OVERVIEW

Indian Pharmaceutical Industry

The Indian pharma industry has achieved significant growth in both domestic and global markets during the past five decades. In 1969, Indian pharma contributed a meagre 5% in medical consumption. Impressive to note that the share of 'Made in India' medicines in the Indian pharma market is now a robust 80%, as of 2020. More importantly, during the same period, the country has also established a leading position in the global generic pharmaceuticals landscape and is now known as the 'Pharmacy of the world'. The pharma industry in India contributes to more than 20% by volume of the global generics market and 62% of the global demand for vaccines. Popularly called the 'archetype of affordable healthcare', the industry has significantly contributed towards improving public health outcome in India as well as worldwide.



Annexure A to the Director's Report (Contd.)

Indian pharma manufacturers export nearly half of their pharma production, both in terms of volume and value, to the US, UK, South Africa, Russia, and other countries. However, there remains a significant opportunity largely untapped across Japan, China, Australia, ASEAN countries, Middle East region, Latin Americas, and other African countries. India's pharma exports reached US\$20.7 Billion in FY 2019-20 with year-on-year growth of 8.4%. This was largely driven by exports of generics drugs to over 200 countries (including both developed and developing markets). India is the source of 60,000 generic brands across 60 therapeutic categories. The country accounts for 40% of the generics demand in the US and ~25% of all medicines in the UK. India single-handedly meets 80% of the global demand for antiretroviral drugs needed by Acquired Immune Deficiency Syndrome (AIDS) patients, significantly contributing towards increasing accessibility of AIDS treatments.

260+	US-FDA-compliant pharma plants outside America
2,000 WHO-GMP	Approved pharma plants
253 European Directorate of Quality Medicines (EDQM)	Approved plants
60,000	Generic brands
500+	Active Pharmaceutical Ingredients (APIs) manufactured

COVID-19 has presented both, an opportunity and a challenge for India to emerge as the 'pharmacy of the world'. During April-October 2020, India's pharmaceutical exports, totalling USD 11.1 Billion, witnessed an impressive growth of 18%, as against \$ 9.4 billion during the corresponding period a year ago. Furthermore, the Indian pharma export industry has grown in size, accounting for 7.3% of India's total exports in April-October 2020, while the share was 5.1% in April-October 2019. As of today, pharmaceutical exports are India's third largest exported commodity.

Active Pharmaceutical Ingredients (API) Industry

The Indian active pharmaceutical ingredients manufacturing segment can be divided into two sectors such as innovative or branded and generic or unbranded. The global generic drugs market was valued at around US \$244.5 billion in 2017, growing at a CAGR of around eight per cent during 2010-2017. API is the largest segment of Indian Pharmaceutical Market. The major factors driving the synthetic chemical API market are patent expiration of synthetic drugs (small molecule drugs), increasing number of small molecules in clinical trials, and increasing outsourcing by the pharmaceutical companies.

India is slated to become the second largest global generic API merchant market by 2020, beating Italy with an eight percent market share. The Indian pharmaceutical industry which accounts for the second largest number of Abbreviated New Drug Applications (ANDAs), is the world's leader in Drug Master Files (DMFs) applications with the US. With the rising cost of healthcare there is an increasing generics consumption over branded drugs, thus driving the growth of generic APIs market.

A good quality API facilitates the manufacturing of effective and safe essential drugs. The API growth is driven by:

- Rising prevalence of chronic and infectious diseases such as diabetes, cancer, arthritis, asthma chronic obstructive pulmonary disease (COPD) bone & joint infections, pneumonia etc.
- An increase in geriatric population
- An expedited pace of new drug-development using API
- Advancements leading to dynamic drug assembling
- Aggravated healthcare costs

The growing partnerships between Asian API manufacturers and global vendors, along with policy revamp in the region, preferring intellectual properties, will significantly encourage the API market growth in Asia. The captive API segment, is anticipated to grow at a significant rate in the coming years owing to the easy availability of raw materials and greater investments by major players to develop manufacturing facilities. Almost 66% of the market's growth will originate from Asia. Japan, China, and India are the key markets for active pharmaceutical ingredients in Asia. The increased healthcare expenditure by the urban population and rapid surge in the aged population are influencing the APIs market growth, which has led to an increase in the number of DMF filings for APIs.



Annexure A to the Director's Report (Contd.)

Key Growth Drivers

- Increased growth in large under-penetrated markets such as Japan and China
- More affordability, owing to sustained growth in incomes and increase in insurance coverage
- Better access to medicines and healthcare facilities, helped by an increased investment in medical infrastructure, new business models for Tier-II towns and rural areas, launch of patented products, and greater government spending on healthcare
- Higher momentum of advancement, going beyond generics with an increased focus on biologics, new drug development, and next-generation innovative products
- Expertise in low-cost generic, patented drugs and a movement towards end-to-end manufacturing
- Strong growth in the US market by driving higher ANDA share in molecules going off-patent, and potential ease in price erosion
- Increased acceptability of modern medicine and newer therapies owing to aggressive market creation by players, an increased acceptance of biologics and preventive medicine, and a greater propensity to self-medicate

OPPORTUNITIES

Government-sponsored health coverage programmes

The Ayushman Bharat Yojana (The Union Government's National Health Protection programmes) is estimated to benefit 10 Crores vulnerable families (~40% of India's population). The scheme aims to bring more vulnerable and unprivileged households under the protection of health insurance, to facilitate better healthcare to them. A widespread access to healthcare facilities would help companies widen their footprint.

Growing focus on chronic diseases

India's disease burden is slowly transitioning towards chronic diseases. Therefore, there is an increasing demand for specialised drugs needed for such diseases. These drugs are currently more expensive than acute drugs and provide opportune windows for the domestic pharma players that serve affordable yet high-quality specialty drugs.

Exploring the underpenetrated markets

With the Indian pharmaceutical industry aspiring to become the world's largest exporter of medicine by volume, the next wave of growth could come from increasing exports to large and traditionally underpenetrated markets such as Japan, China, Africa, Indonesia, and Latin America. Government interventions and enhanced trade-relations support can help the Indian pharma companies gain easy market access to these areas.

Public health sector to offer meaningful opportunities

The public health segment comprises the government directly purchasing from pharmaceutical companies. Although the public health segment in India is still at a very nascent stage, we are hopeful that an increased government focus on the public healthcare sector and improved budgetary allocation will further the momentum. Therefore, it can provide an ocean of opportunity to Indian pharma companies.

China plus one strategy

The Covid-19-led pandemic caused a global supply chain disruption in pharmaceutical industry. Companies are undergoing change in procurement strategies and are recalibrating to move away from China or seek alternative sources for the same APIs. As a result, Indian API sector is witnessing benefits of better inventory management and thrust on supply chain continuity from global customers. This has also caused a significant reduction in price sensitivity among formulation companies. The Indian pharma industry is anticipated to remain a critical part of the global supply chain as it is among the countries with highest US FDA approvals.

GOVERNMENT INITIATIVES

Production-Linked Incentive (PLI) scheme: Aiming for lesser dependency on imports, the Government included pharma among the 12 sectors under the PLI scheme. To promote domestic production of critical key drug intermediates and APIs, it cleared 19 applications with an investment of \$628.84 Million under the scheme.

Annexure A to the Director's Report (Contd.)

OUTLOOK

Despite the struggling economy, the pharmaceutical sector can very well hold on to its growth. An enhanced access to medicines in the domestic market, rising per capita healthcare spending, increasing penetration of health insurance, and a higher instance of chronic diseases is likely to drive growth for the Indian pharmaceutical industry in the years ahead. Further, impetus on the Indian pharmaceutical industry is likely to be provided by the Government's Ayushman Bharat Yojana, the world's biggest health scheme, launched in 2018. Buoyed by these factors, the Indian pharmaceutical industry is expected to hold on to its projected growth trajectory.

BUSINESS OVERVIEW

Kopran Limited is an integrated global pharmaceutical company committed to manufacturing and supplying international quality formulations and Active Pharmaceutical Ingredients (APIs). The formulation vertical is operated through Kopran Limited, and the APIs vertical is operated under Kopran Research Laboratories Limited (KRLL), a wholly owned subsidiary of Kopran Limited.

Developments of the year

- Continuous measures taken towards process/technology and yield improvement for making products more competitive and profitable
- Undertook upgradation and expansion of 3 blocks at Mahad facility to cater to the increasing demand of existing products and manufacture new molecules that are being developed
- Developed APIs/formulations for regulated and non-regulated markets
- Filed DMFs/dossiers in regulated and non-regulated markets
- To increase geographical reach by entering into new markets

Formulations

Kopran focuses on penetrating new markets and growing its presence in untapped countries in order to maintain a prominent position for its formulating business. The Company is keen on probing regulated markets and has been filing dossiers in non-regulated markets too, aiming to gain a significant market share.

The Company filed 211 dossiers in the course of the last year, and moving ahead, the focus will be on capacity automation and cost optimisation. When the Company enters into long-term tender business, it back-to-back secures supply agreements also to reduce the risk of price variations.

Outlook:

- To Automise of manufacturing and packing lines to increase output of finished products, efficiency across production chain and reduce variable and manpower cost
- To participate in tenders in various countries
- Develop new products and filed dossiers in regulated and non-regulated markets.
- To expand the geographical reach by entering into new markets

Active Pharmaceutical Ingredients (API)

The Company emphasises on increasing its participation throughout the regulated market in the US, Europe, and China. It has filed 7 DMFs in the US, and plans on launching more DMF products there. In terms of product development, Kopran is developing a comprehensive range of blockbuster products under Carbapenem, Antithrombosis, and Anti-diabetic class, which will help it strengthen its position in the segment. The Company is increasing its capacity by upgrading and expanding its Mahad facility, completed in June 2021. The Company has undertaken steps to expand its non-sterile plants too, while also developing its Panoli site as an API/intermediate facility.

Outlook:

- Developing complete range of Carbapenams to solidify the Company's position in the segment
- Developing Anti-thrombosis and Anti-diabetic portfolio

Annexure A to the Director's Report (Contd.)

- Plan to capture major share of the US Atenolol market in the next two years
- Plans to file DMFs for new products being developed in regulated and non-regulated markets
- To start Panoli facilities and increase capacity at Mahad location

FINANCIAL PERFORMANCE HIGHLIGHTS

Key Financial Ratios based on Consolidated Financial Statement

Key Ratio	FY 2020-21	FY 2019-20	Variance (%)	Comments
Debtors Turnover Ratio	4.62	4.01	15.31	-
Inventory Turnover Ratio	3.20	2.57	24.58	-
Interest Coverage Ratio	14.36	4.24	239.00	Increase in profits and reduction in debts
Current Ratio	1.72	1.59	8.21	-
Debt Equity Ratio	0.26	0.41	36.59	Reduction in long term debts
Operating Profit Margin (%)	19.61	10.67	83.79	Better sales realisation and higher turnover
Net Profit Margin (%)	16.35	7.85	108.18	Higher operating margin and reduction in debts
Return on Net Worth	25.23	11.18	125.67	Due to increase in profits

Key Financial Highlights on the Consolidated Basis

(₹ in Lakhs)

Particulars	FY 2020-21	FY 2019-20	Increase/(Decrease) (%)
Income from Operations	49,181.35	35,949.94	36.80
EBITDA	9,999.43	4,695.65	113
PBT	8,333.60	2,828.36	195
PAT	6,160.62	2,102.02	193.08
Material Cost	26,544.79	22,305.58	19
Employee Benefit Expenses	3,715.66	3,685.21	0.82
Other Expenses	7,108.44	6,527.49	8.90
Shareholders' Fund	24,503.04	18,968.01	29.18
Non-Current Liabilities	3,366.81	4,171.43	(12.09)
Current Liabilities	16,068.43	14,005.34	14.73
Non-Current Assets	16,243.36	14,884.56	9.12
Current Assets	27,694.92	22,260.22	24.41

Annexure A to the Director's Report (Contd.)

Key Financial Highlights on the Standalone Basis

(₹ in Lakhs)

Particulars	FY 2020-21	FY 2019-20	Increase/(Decrease) (%)
Income from Operations	22,283.31	17,929.09	24.28
EBITDA	4,080.22	2,517.81	62.05
PBT	3,270.52	1,573.26	107.88
PAT	2,347.23	1,121.98	109.20
Material Costs	10,516.20	10,896.12	(3.48)
Employee Benefit Expenses	1,833.87	2,002.16	(8.40)
Other Expenses	3,654.96	3,467.53	5.40
Shareholders' Fund	24,684.98	22,967.31	4.47
Non-Current Liabilities	853.40	1,354.70	(37)
Current Liabilities	6,856.99	8,386.89	(18.24)
Non-Current Assets	21,283.80	21,285.56	(0.01)
Current Assets	11,111.57	11,423.34	(2.72)

RISK MANAGEMENT & CONCERNS

Operational Risk: Any manufacturing or quality control problems may damage the Company's reputation, adversely affecting business, results of operations, and financial conditions. To mitigate this risk, Kopran reliably take approvals from leading global regulatory authorities and regularly inspect our production facilities with respect to quality as well as environmental compliance.

Research & Development Risk: The pharmaceutical industry is a technology and research-driven industry. The Company's management values data security, automation of operations, and technological advancement in the industry. The Company, therefore, continue to invest in state-of-the-art technologies, R&D workforce, and laboratory infrastructure to build its manufacturing and innovation capabilities. The Company also maintains close ties with leading global companies and organisations to remain updated on the changes taking place in the industry.

Suppliers Risk: Profitability and margins are directly impacted by the volatility in prices. In case of a significant change in the raw material's prices and operational cost among others, profitability, too, will shift. The Company is sourcing materials from different suppliers to reduce price risk. Kopran closely monitors price trends, and as a result, formulate a unique purchase policy for each product with each supplier, which too reduces its dependency on suppliers. To reduce the impact of price volatility, the Company does not enter into long-term fixed-price agreements with customers and sells based on material costs.

Competition Risk: The pharmaceutical industry is intensely competitive and Kopran's inability to compete effectively may adversely affect its business, results of operations, and financial conditions. To be among the best in the industry, the Company makes constant efforts towards enhancing its business capacities and capabilities in line with global standards. The in-house teams work towards the cost-improvement programmes, while exploring and tapping different geographies.

QUALITY & COMPLIANCE

The Company has created a credible track record of excellence due to its determined efforts to sustain best-in-class facilities and quality standards. Kopran is continuously delivering at par with what is expected of the Company, and re-establishes well-defined validation steps to monitor its facilities and processes. The purpose is to make a customer-conducive model in compliance with the regulations and requirements posed. Across all its facilities, the Company has installed best-in-class quality systems that cover our business processes, from managing supply chain to product delivery.

The quality management systems are continuously monitored, evaluated, and upgraded to meet the latest industry regulations and best practices. The Company has strengthened its quality process with the implementation of digitisation. This helps maintain sync with the growing number of processes and R&D needed to manage compliance and risk efficiently.

Annexure A to the Director's Report (Contd.)

INTERNAL CONTROL SYSTEMS

The Company has adequate internal control systems commensurate with its size and nature of business. Kopran firmly believes that change is the only permanent thing, and in line with that spirit, the Company regularly updates its systems for incremental improvements. The Audit Committee of the Board periodically reviews these systems, which record transactions, assets, and report on developments timely. Internal audit is being carried out by an independent firm of Chartered Accountants on a quarterly basis. The Audit Committee also regularly reviews the periodic reports of the Internal Auditors. Issues raised by Internal Auditors and Statutory Auditors are discussed and addressed by the Audit Committee.

CAUTIONARY STATEMENT

The statement, forming a part of this Report, may contain certain forward-looking remarks with the meaning of applicable Securities Law and Regulations. Many factors could cause the actual results, performances, or achievements of the Company to be materially different from any future results, performances, or achievements. Significant factors that could make a difference to the Company's operations include domestic and international economic conditions, changes in Government regulations, tax regime, and other statutes.

Annexure B to the Director's Report

FORM AOC-1

(Pursuant to section 129 (3) (1) read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

Part "A" : Subsidiaries

Fig in ₹

1	Name of Subsidiary & CIN No.	Kopran (H.K) Limited	Kopran Research Laboratories Limited	Kopran Lifesciences Limited
			U24230MH-1986PLC040601	U74120MH-2010PLC21112
2	Reporting Period for the Subsidiary Concerned, if different from holding company's reporting period	1 st April, 2020 to 31 st March, 2021	1 st April, 2020 to 31 st March, 2021	1 st April, 2020 to 31 st March, 2021
3	Reporting Currency and Exchange rate as on the last date of the relevant financial year in the case of Foreign subsidiaries.	HKD	NA	NA
		₹ 9.42 = 1HKD		
4	Share Capital	10,006,000	200,000,000	500,000
5	Reserves & Surplus	11,367,550	1,526,665,426	(136,200)
6	Total Assets	24,513,778	2,913,330,985	1,119,712
7	Total Liabilities	24,513,778	2,913,330,985	1,119,712
8	Investment	-	887,325	1,000,000
9	Turnover	-	3,002,263,387	-
10	Profit Before Taxation	(263,566)	478,620,096	(6,700)
11	Provision for Taxation	94,440	124,905,973	-
12	Profit after Taxation	(358,007)	353,714,123	(6,700)
13	Proposed Dividend	Nil	Nil	Nil
14	% of Shareholding	100%	99.50%	100%

Part "B": Associates and Joint Ventures: None

On behalf of the Board of Directors

Date: 27th May, 2021
Place: Mumbai

Mr. Susheel G. Somani
Chairman
(DIN: 00601727)

Mr. Surendra Somani
Executive Vice Chairman
(DIN: 00600860)

Annexure C to the Director's Report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1.	A brief outline of the Company's CSR policy		The Company's CSR Policy provides for carrying out any CSR activities as specified in the Schedule VII of the Companies Act, 2013 or any amendment thereto or modification thereof.		
2.	The Composition of the CSR Committee				
	Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
	1	Mrs. Mamta Biyani	Chairperson/Independent Director	2	2
	2	Mr. Surendra Somani	Member/Director	2	2
	3	Mr. Varun Somani	Member/Director	2	2
3	Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company			http://www.kopran.com/investors/policy/pdf/Corporate%20Social%20Responsibility%20Policy.pdf	
4	Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable			Not applicable	
5	Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: NIL				
	S I . No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be setoff for the financial year, if any (in ₹)	
	--	--	--	--	
6	Average net profit of the Company for last three financial years as per section 135(5)			₹ 1272.53 Lakhs	
7	(a) Two percent of average net profit of the Company as per section 135(5)			₹ 25.45 Lakhs	
	(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.			NIL	
	(c) Amount required to be set off for the financial year, if any			NIL	
	(d) Total CSR obligation for the financial year (7a+7b-7c).			₹ 25.45 Lakhs	
8	(a) Details of CSR spent during the financial year:				
	Total Amount Spent for the Financial Year. (In ₹)	Amount Unspent (in ₹)			
		Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).	
		Amount.	Date of Transfer	Name of the Fund	Amount.
	₹ 44.41 Lakhs*	-	-	-	-
	* The total CSR spend during the financial year 2020-21 was ₹ 44.41 Lakhs which includes unspent amount of ₹ 17.37 Lakhs of previous financial years, ₹ 25.45 Lakhs towards the current financial year i.e. 2% of the average net profits of the Company made during the immediately three preceding financial years and ₹ 1.59 Lakhs, excess amount spent in the current financial year available for set off in succeeding financial years.				

Annexure C to the Director's Report (Contd.)

(b) Details of CSR amount spent against ongoing projects for the financial year. NIL												
Sr. No	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1												
Total												
(c) Details of CSR amount spent against other than ongoing projects for the financial year												
Sl. NO	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No)	Location of the project.		Amount spent for the project (₹ in Lakhs)	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.				
1	Covid-19 Food relief project	(i)	Yes	Maharashtra	Mumbai	₹ 0.90	No	Ek Saath The Earth Foundation	-			
2	Infrastructure support to hospital	(i)	Yes	Maharashtra	Mahad, District Raigad	₹ 3	No	Mahad Manufacture's Association	-			
3	Infrastructure support to hospital	(i)	Yes	Maharashtra	Khalapur, District Raigad	₹ 0.75	No	Industries Association of Khopoli	-			
4	Covid Relief	(i)	No	Maharashtra	Mumbai	₹ 0.25	No	Shantidevi Gupta Charities	-			
5	Covid Relief	(i)	Yes	Maharashtra	Mumbai	₹ 5	No	Ratna Nidhi Charitable Trust	-			
6	Contribution for Schedule VII Activities	(i), (ii), (iii), (iv), (viii)	Yes	Maharashtra	Mumbai	₹ 24.51	No	Shri S K Somani Memorial Trust	CSR00006629			
7	Covid Relief	(i)	No	Maharashtra	Palghar, Maharashtra	₹ 10	No	Maratha Life Foundation	-			
TOTAL						₹ 44.41						
(d) Amount spent in Administrative Overheads							Nil					
(e) Amount spent on Impact Assessment, if applicable							NA					
(f) Total amount spent for the Financial Year (8b+8c+8d+8e)							₹ 44.41 Lakhs					
(g) Excess amount for set off, if any												
Sr. No	Particulars										Amount	
(i)	Two percent of average net profit of the Company as per section 135(5)										₹ 25.45 Lakhs	
(ii)	Total amount spent for the Financial Year										₹ 27.04 Lakhs	
(iii)	Excess amount spent for the financial year [(ii)-(i)]										₹ 1.59 Lakhs	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any										Nil	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]										₹ 1.59 Lakhs	

Annexure C to the Director's Report (Contd.)

(a) Details of Unspent CSR amount for the preceding three financial years :								
SI. NO	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (In ₹)	
				Name of the Fund	Amount (in ₹)	Date of transfer.		
1.	2019-20	-	₹ 17.37 Lakhs		-		Nil	
(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): NIL								
SI. NO	Project ID	Name of the Project	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹).	Cumulative amount spent at the end of reporting Financial Year. (In ₹)	Status of the project - Completed / Ongoing.
10	In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year					NIL		
	(a) Date of creation or acquisition of the capital asset(s). (b) Amount of CSR spent for creation or acquisition of capital asset. (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).							
11	Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5).					NOT APPLICABLE		

On behalf of the Board of Directors

Date: 27th May, 2021
Place: Mumbai

Susheel Somani
Chairman Executive
(DIN: 00601727)

Surendra Somani
Vice Chairman
(DIN: 00600860)

Mamta Biyani
Chairperson of CSR Committee
(DIN: 01850136)

Annexure D to the Director's Report

REPORT ON CORPORATE GOVERNANCE

A. BOARD

1. Company's Philosophy on the Code of Corporate Governance

The Company is committed to maintaining the highest standards of Corporate Governance in its conduct towards Shareholders, employees, regulators, customers, suppliers, lenders and other stakeholders. The Company strongly believes that good Corporate Governance and fairness in actions, words and deeds will form the base of the Company's Corporate Governance philosophy.

2. Board of Directors

The composition of Board is in conformity with Regulation 17 of SEBI (LODR) Regulations, 2015 as amended. As on 31st March, 2021 the Company has a Non-Executive Chairman and half of the total numbers of Directors are comprised of Independent Director. The Board Comprises of Eight Directors of which Seven are Non-Executive Directors and One is Executive Director. The Non-Executive Directors comprise of Four Independent Directors, including Two Women Directors. All the Non-executive Directors draw remuneration only by the way of sitting fees for attending the meeting of the Board and the Committees thereof. None of the Directors are related to each other except Mr. Varun Somani is the son of Mr. Surendra Somani, Executive Vice Chairman of the Company.

a. Composition and Details of Directorship of Directors in other Listed Entities and the category of their Directorship as on 31st March, 2021 are as below :

Name of Director	Appointment /Cessation during the financial year 2020-21	Name of Listed Entity where Directorship is held	Category of Directorship	
Mr. Susheel G. Somani	-	Kopran Limited	Non-Executive Director	Chairman (Promoter)
		Oricon Enterprises Limited	Non-Executive Director	Chairman (Promoter)
Mr. Surendra Somani	-	Kopran Limited	Executive Director	Vice Chairman (Promoter)
Dr. Siddhan Subramanian	Appointed as Independent Director for five years at the 61 st Annual General Meeting held on 16 th September, 2020	Kopran Limited	Non-Executive Director	Independent Director
Dr. Sunita Banerji	Appointed as Independent Director for five years at the 61 st Annual General Meeting held on 16 th September, 2020	Kopran Limited	Non-Executive Director	Independent Director
Mrs. Mamta Biyani	-	Kopran Limited	Non-Executive Director	Independent Director
		Oricon Enterprises Limited	Non-Executive Director	Independent Director
		Damodar Industries Limited	Non-Executive Director	Independent Director
Mr. Narayan Atal	-	Kopran Limited	Non-Executive Director	Independent Director
		Elpro International Limited	Non-Executive Director	Independent Director
		Ajcon Global Services Limited	Non-Executive Director	Independent Director

Annexure D to the Director's Report (Contd.)

Name of Director	Appointment /Cessation during the financial year 2020-21	Name of Listed Entity where Directorship is held	Category of Directorship	
Mr. Adarsh Somani		Kopran Limited	Non-Executive Director	Director (Promoter)
		Oricon Enterprises Limited	Executive Director	Joint Managing Director (Promoter)
		Sarvamangal Mercantile Company Limited	Non-Executive Director	Director (Promoter)
Mr. Varun Somani	Re-appointed as Director liable to retire by rotation w.e.f. 16 th September, 2020	Kopran Limited	Non-Executive Director	Director (Promoter)
		Oricon Enterprises Limited	Non-Executive Director	Director (Promoter)

Note:

1. None of the Directors of the Company as mentioned above is:
 - (a) a Director in more than Ten Public Limited Companies - As per Section 165 of the Companies Act, 2013;
 - (b) a Director in more than Seven Listed Companies- As per Regulation 17(A) of the Listing Regulations;
 - (c) an Independent Director in more than seven Listed Companies or three Listed Companies (in case he / she serves as a Whole Time Director in any listed Company - As per Regulation 17(A) of the Listing Regulations;
 - (d) a not Member of more than Ten Committees and Chairman of more than Five Committees across all the Indian Public Limited Companies in which he / she is a Director - As per Regulation 26 of the Listing Regulations.

b. Board Meetings & Skills Sets of the Board:

During the financial year 2020-21 the Board had met four times on the following dates: 30th June, 2020, 11th August, 2020, 28th October, 2020, and 22nd January, 2021.

The Company has devised the policy on Board diversity and based on which appointment of the Board of Directors is made. The Company maintains that Board appointments should be based on merit that complements and expands the skills, experience and expertise of the Board as a whole taking into account knowledge, professional experience and qualifications, gender, age, cultural and educational background, and any other factors that the Board might consider relevant and applicable from time to time for it to function effectively.

The Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company which is currently available with the Board:

Name of the Director	Area of skills/expertise/competence						
	Strategy	Finance	Leadership	Technical	HR	Governance	Government/Regulatory
Mr. Susheel Somani	✓	✓	✓		✓	✓	
Mr. Surendra Somani	✓	✓	✓	✓		✓	✓
Dr. Siddhan Subramanian	✓		✓	✓			✓
Dr. Sunita Banerji		✓		✓	✓		
Mrs. Mamta Biyani		✓			✓	✓	
Mr. Narayan Atal		✓	✓			✓	
Mr. Adarsh Somani	✓	✓			✓		
Mr. Varun Somani		✓	✓			✓	

Annexure D to the Director's Report (Contd.)

c. Directors attendance at Board Meetings, AGM and other details:

The attendance of Directors at Board meetings during the financial year 2020-21 and at the last Annual General Meeting including information on the number of Directorships and Committee positions held by them in other companies are given below.

Name of Director	Attendance at		No. of Directorships held in other public Companies	Number of Committee Positions held in other Public Companies*	
	Board Meeting during financial year 2020-21	Last AGM held on 16 th September, 2020		Member	Chairman
Mr. Susheel G Somani	4	Yes	8	1	0
Mr. Surendra Somani	4	Yes	1	0	0
Dr. Siddhan Subramanian	2	Yes	0	0	0
Dr. Sunita Banerji	4	Yes	1	0	1
Mr. Adarsh Somani	4	Yes	7	1	0
Mr. Varun Somani	4	Yes	3	0	0
Mrs. Mamta Biyani	4	Yes	3	4	0
Mr. Narayan Atal	4	Yes	3	1	3

*Pertains to memberships/chairpersonships of the Audit Committee and Stakeholders' Relationship Committee of Indian public companies (excluding the Company) as per Regulation 26(1)(b) of the Listing Regulations.

d. Remuneration to Directors and their Shareholding during the financial year 2020-21

i. Details of remuneration to Executive Directors

Name of Director	No. of Equity Shares	Remuneration (in ₹)
Mr. Surendra Somani	503075	1,25,64,600
Other benefits/Stock Option/Pension/Bonuses/ Performance Linked Incentives		None

As per the terms of appointment there is no Severance Fee and the Notice Period is three months.

ii. Details of remuneration to Non-Executive Directors

Name of the Director	No. of Equity Shares	Details of sitting Fees (in ₹)	
		Board	Committee
Mr. Susheel G Somani	871900	48,000	-
Dr. Siddhan Subramanian	-	24,000	27,000
Dr. Sunita Banerji	-	48,000	42,000
Mr. Adarsh Somani	181250	48,000	5,000
Mr. Varun Somani	272500	48,000	15,000
Mrs. Mamta Biyani	-	48,000	32,000
Mr. Narayan Atal	-	48,000	32,000

None of the Independent directors have any material pecuniary relationship or transaction with the Company, its Promoters, its Directors, its Senior Management or its Subsidiary and Associates which may affect independence of the Director. There were no pecuniary relationships or transactions of the non-executive directors vis-à-vis the Company. Except for drawing remuneration by Managing Director, receipt of Sitting Fees by Directors for attending the Board/Committee Meetings, none of the Directors have any other Material Significant Related Party Transactions, pecuniary or business relationship with the Company.

3. Code of Conduct

The CEO Certificate on Code of Conduct of its Directors and Senior Management is provided in **Annexure 1**.

4. CEO & CFO Certification

In terms of Regulation 17(8) of the Listing Regulations, the Executive Vice Chairman and Chief Financial Officer made a certification to the Board of Directors in the prescribed format for the year under review. The same is provided in **Annexure 2**.

Annexure D to the Director's Report (Contd.)

5. Dividend Distribution Policy

The Dividend Distribution Policy, adopted by the Board, is uploaded on the Company's website: <http://www.kopran.com/investors/policy/>

6. Familiarisation Programme of Independent Directors

The Familiarisation Programme for Independent Directors was held on 22nd January, 2021. The Details of Familiarisation Program imparted to Independent Directors is available on the Company's website at the weblink: <http://www.kopran.com/investors/profile/pdf/Familiarization%20programe%20of%20Independent%20Directors.pdf>

B. COMMITTEES

1. Audit committee

i. Brief terms of reference

The Audit Committee has adequate powers to play an effective role as required under Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (LODR) Regulation, 2015 which inter-alia include overseeing financial reporting processes, reviewing periodic financial results, financial statements and adequacy of internal control systems with the management, financial statement and Investments of Unlisted Subsidiary Company, approval of payment to statutory auditors, review the annual financial statements, accounting policies and practices, major accounting entries involving estimates based on the exercise of judgment by management, disclosure of any related party transactions, the statement of uses/application of funds, adequacy of internal audit function, functioning of the Whistle Blower mechanism, Scrutinise inter-corporate loans and investments, risk management systems etc., discuss with internal auditors of any significant findings and follow up there on.

ii. Audit Committee Members, its composition & attendance during the year

During the financial year 2020-21 four Audit Committee meetings were held on 29th June, 2020, 11th August, 2020, 28th October, 2020 and 22nd January, 2021. Requisite quorum was present at the above meetings. The Chairman of the Audit Committee briefed the Board members on the significant discussions which took place at Audit Committee Meetings. The Company Secretary acts as Secretary of the Committee.

The Composition of the Audit Committee and the details of the meetings attended by the Directors during the year are as given below:

Name of the Member	Designation	Category	Meetings attended
Mr. Narayan Atal	Chairman	Independent Director	4
Mrs. Mamta Biyani	Member	Independent Director	4
Dr. Sunita Banerji	Member	Independent Director	4
Mr. Surendra Somani	Member	Executive Director	4

2. Nomination and Remuneration Committee (NRC)

i. Brief terms of reference

In pursuant to the provisions of Section 178 of the Companies Act, 2013, the Company has constituted a Nomination & Remuneration Committee of Directors. The terms of reference of the Committee are in line with Regulation 19 of SEBI (LODR) Regulation, 2015 and brief terms of reference are devising the criteria for the appointment, evaluation, policy matters for remuneration and performance appraisal, identifying and recommending the appointment of Key Managerial Personnel & Directors, determining the appropriate size, diversity and composition of the Board, conduct meeting at regular intervals to carry out the functions as assigned by the Board, working with the Board on the leadership succession plan. The Nomination & Remuneration Policy is available on the Company's web-link <http://www.kopran.com/investors/policy/pdf/Nomination%20and%20Remuneration%20Policy.pdf>

Annexure D to the Director's Report (Contd.)

ii. Committee Members, its composition & attendance during the year

During the financial year 2020-21 the Nomination & Remuneration Committee meeting was held on 11th August, 2020 and 22nd January, 2021.

The Composition of the Nomination & Remuneration Committee and the details of the meetings attended by the Directors during the year are as given below:

Name	Designation	Category	Committee Meeting attended
Dr. Siddhan Subramanian	Chairman	Independent Director	2
Dr. Sunita Banerji	Member	Independent Director	2
Mr. Varun Somani	Member	Non-Executive Director	2

iii. Performance evaluation criteria of Independent Directors

Performance evaluation of Directors is carried out through a structured questionnaire which was prepared after taking into consideration various aspects of the Board's functioning, composition of the Board and its Committees, execution and performance of specific duties, obligations and governance.

Pursuant to the provision of the Companies Act, 2013, SEBI (LODR) Regulations, 2015 as amended and Guidance Note on Board Evaluation issued by SEBI, the Board has carried out the Annual Performance Evaluation of the Independent Directors on 22nd January, 2021.

3. Stakeholders Relationship Committee

During the financial year 2020-21 Stakeholders Relationship Committee Meeting was held on 22nd January, 2021.

The Board has appointed Mr. Sunil Sodhani Company Secretary as the Compliance officer as required under the Listing regulations and the nodal officer to ensure the Compliance under IEPF Rules.

The Composition of the Stakeholders Relationship Committee and the details of the meetings attended by the Directors during the year are given below:

Name	Designation	Category	Meetings attended
Mr. Varun Somani	Chairman	Non-Executive Director	1
Dr. Siddhan Subramanian	Member	Independent Director	1
Mr. Adarsh Somani	Member	Non-Executive Director	1

Status of Shareholder's Complaints for financial year 2020-21

Outstanding Complaints at the beginning of the year	Receiving during the year	Resolved during the year	Outstanding Complaints at the end of the year
0	4	4	0

4. Corporate Social Responsibility Committee (CSR)

During the financial year 2020-21 Corporate Social Responsibility Committee Meetings were held on 30th June, 2020 and 22nd January, 2021.

The Composition of the Corporate Social Responsibility Committee and the details of the meetings attended by the Directors during the year are as given below:

Name	Designation	Category	Committee Meetings attended
Mrs. Mamta Biyani	Chairman	Independent Director	2
Mr. Surendra Somani	Member	Executive Director	2
Mr. Varun Somani	Member	Non-Executive Director	2

5. Risk Management Committee (RMC)

i. Brief terms of reference

The Board of Directors Constituted Risk Management Committee on 27th May, 2021. The terms of reference of the Committee cover the matters specified for Risk Management Committee under the SEBI Listing Regulations,

Annexure D to the Director's Report (Contd.)

2015. The Risk Management Policy shall be formulated by the Risk Management Committee in the Meeting of the Committee to be held in due course during the financial year 2021-22.

The composition of the Risk Management Committee is as follows:

Name	Designation	Category
Mr. Adarsh Somani	Chairman	Non-Executive Director
Mr. Varun Somani	Member	Non-Executive Director
Mrs. Mamta Biyani	Member	Independent Director

OTHER COMMITTEES

6. Corporate Affairs Committee

The terms of reference of the Corporate Affairs Committee include handling of various administrative and other routine matters of the Company, which have been delegated to the Corporate Affairs Committee by the Board of Directors, from time to time.

During the financial year 2020-21 Corporate Affairs Committee Meetings were held on 16th June, 2020, 22nd October, 2020, 21st December, 2020, 12th February, 2021, 8th March, 2021 and 30th March, 2021.

The Composition of the Corporate Affairs Committee and the details of the meetings attended by the Directors during the year are as given below:

Name	Designation	Category	Committee Meetings attended
Mr. Surendra Somani	Chairman	Executive Director	6
Mr. Adarsh Somani	Member	Non-Executive Director	6
Mr. Varun Somani	Member	Non-Executive Director	5

C. SHAREHOLDERS INFORMATION

i. General Meetings:

Location, date and time of Annual General Meetings held during the last three years and number of special resolutions passed.

AGM	Date	Day	Time	Location of the Meeting	No. of Special Resolutions passed
59 th	29 th September, 2018	Saturday	11.30 am	Shri S.K. Somani Memorial Hall, HVB Academy, 79, Marine Drive, Mumbai 400 020	None
60 th	20 th July, 2019	Saturday	11.00 am	As above	Three [#]
61 st	16 th September, 2020	Wednesday	12.00 Noon	Virtual	Two [*]

#1. Appointment of Mr. Susheel Somani (DIN: 00601727) as Director.

#2. Approval of Remuneration payable to Mr. Surendra Somani (DIN: 00600860) as Executive Vice Chairman for the remainder period of his tenure till 31st December, 2019.

#3. Re-appointment of Mr. Surendra Somani (DIN: 00600860) as Executive Vice Chairman.

*4. Re-appointment of Dr. Siddhan Subramanian (DIN: 02101174) as an Independent Director.

*5. Re-appointment of Dr. Sunita Banerji (DIN: 02476075) as an Independent Director.

Annexure D to the Director's Report (Contd.)

ii. General Shareholders Information :

1)	Date, time and venue of 62nd AGM	:	Tuesday, 31 st August, 2021 at 12.30 PM (IST) through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") Electronic copy of the Notice of 62 nd Annual General Meeting of the Company shall be sent to all Members whose email addresses are registered with the Company/Depository Participant(s)
	Financial Year	:	2020-21
2)	Date of Book Closure	:	9 th August, 2021 to 11 th August, 2021 (both days inclusive)
3)	Dividend payment date, if declared at the AGM	:	Payment of dividend shall be made within 30 days of its declaration at AGM
4)	Listing on Stock Exchanges	:	BSE Limited P. J. Towers, Dalal Street, Mumbai – 400 001. Phone no. 22721233/34 -66545695 National Stock Exchange of India Limited Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051. Phone no. 26598100-66418100
5)	Listing fees	:	Paid as per the listing agreement
6)	ISIN No.	:	INE082A01010
7)	BSE Scrip code NSE Scrip Code	:	524280 KOPRAN
8)	Registered office	:	Kopran Limited, Parijat House, 1076, Dr. E. Moses Road, Worli, Mumbai – 400 018 Tel. No. 022-43661111 Fax No. 022-24950363, Website: www.kopran.com CIN: L24230MH1958PLC011078
9)	Registrar & Share Transfer Agent (RTA) & Investor correspondence	:	Bigshare Services Private Limited, 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East) Mumbai 400059. Board No.: 022 62638200 Fax No: 022 62638299 Email: bhagwan@bigshareonline.com or Secretarial Department, Kopran Limited, Parijat House, 1076, Dr. E. Moses Road, Worli, Mumbai – 400 018 Tel.No.022-43661111: Fax No. 022-24950363, Email: investors@kopran.com
10)	Compliance Officer	:	Mr. Sunil Sodhani, Company Secretary & Compliance Officer. Email : sunil@kopran.com Tel No. 022-43661251
11)	Share Transfer System	:	The Company's shares are traded compulsorily in Dematerialised form at BSE Limited and National Stock Exchange. Shares in physical segment which are lodged for transfer are processed by our RTA and returned to the Shareholders within stipulated time period.
12)	Outstanding GDR/ADR/Warrant or any convertible instruments, conversion date and likely impact on Equity	:	The Company does not have any outstanding GDRs / ADRs / warrants / convertible instruments.
13)	Dematerialisations of shares	:	As on 31 st March, 2021, 42956126 shares representing 99.32% of Equity shares are held in dematerialised mode.

Annexure D to the Director's Report (Contd.)

14)	Plant Location	:	Formulation Unit : Village Savroli, Taluka Khalapur, District Raigad, Khopoli-410 202 API Unit: Kopran Research Laboratories Limited (Subsidiary Company) K-4, Additional MIDC, Village Birwadi, Near Global Board, Mahad – 402 302.												
15)	Credit Rating	:	CRISIL has assigned rating as under of the Company: <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>Total Bank Loan Facilities Rated</td> <td>₹ 98.5 Crores</td> </tr> <tr> <td>Long-Term Rating</td> <td>CRISIL BBB+/Stable (Upgraded from 'CRISIL BBB/ Positive' and outlook revised to 'Stable')</td> </tr> <tr> <td>Short-Term Rating</td> <td>CRISIL A2 (Upgraded from 'CRISIL A3+')</td> </tr> </table> CRISIL has assigned rating as under of the Subsidiary : Kopran Research Laboratories Limited <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>Total Bank Loan Facilities Rated</td> <td>₹ 63 Crores</td> </tr> <tr> <td>Long-Term Rating</td> <td>CRISIL BBB+/Stable (Upgraded from 'CRISIL BBB/ Positive' and outlook revised to 'Stable')</td> </tr> <tr> <td>Short-Term Rating</td> <td>CRISIL A2 (Upgraded from 'CRISIL A3+')</td> </tr> </table>	Total Bank Loan Facilities Rated	₹ 98.5 Crores	Long-Term Rating	CRISIL BBB+/Stable (Upgraded from 'CRISIL BBB/ Positive' and outlook revised to 'Stable')	Short-Term Rating	CRISIL A2 (Upgraded from 'CRISIL A3+')	Total Bank Loan Facilities Rated	₹ 63 Crores	Long-Term Rating	CRISIL BBB+/Stable (Upgraded from 'CRISIL BBB/ Positive' and outlook revised to 'Stable')	Short-Term Rating	CRISIL A2 (Upgraded from 'CRISIL A3+')
Total Bank Loan Facilities Rated	₹ 98.5 Crores														
Long-Term Rating	CRISIL BBB+/Stable (Upgraded from 'CRISIL BBB/ Positive' and outlook revised to 'Stable')														
Short-Term Rating	CRISIL A2 (Upgraded from 'CRISIL A3+')														
Total Bank Loan Facilities Rated	₹ 63 Crores														
Long-Term Rating	CRISIL BBB+/Stable (Upgraded from 'CRISIL BBB/ Positive' and outlook revised to 'Stable')														
Short-Term Rating	CRISIL A2 (Upgraded from 'CRISIL A3+')														

15) Distribution of Shareholding as on 31st March, 2021

By size of shareholdings, Face Value of Equity: ₹ 10/-

Range	No. of Shareholders	% of Shareholders	Holdings	% to Capital
01 to 500	30883	84.49	4375605	10.12
501 to 1000	2762	7.56	2291063	5.30
1001 to 2000	1380	3.78	2146542	4.96
2001 to 3000	492	1.35	1269602	2.94
3001 to 4000	233	0.64	849106	1.96
4001 to 5000	220	0.60	1046542	2.42
5001 to 10000	293	0.80	2225785	5.15
10001 and above	290	0.79	29046361	67.16
Grand Total	36553	100.00	43250606	100.00

16) Stock market price data for the year 2020-21

The monthly movement of equity share price on BSE & NSE is summarised below:

Month	BSE			National Stock Exchange		
	High (in ₹)	Low (in ₹)	Volume of Shares Traded (In Lakhs)	High (in ₹)	Low (in ₹)	Volume of Shares Traded (In Lakhs)
April-20	31.05	21.65	125.01	30.90	21.55	27.98
May-20	30.45	22.75	70.59	30.45	22.65	16.86
June-20	41.20	26.45	389.68	40.80	26.70	64.93
July-20	48.75	32.30	460.64	48.80	32.10	77.51
August-20	78.05	47.25	1410.53	78.00	47.40	137.09

Annexure D to the Director's Report (Contd.)

Month	BSE			National Stock Exchange		
	High (in ₹)	Low (in ₹)	Volume of Shares Traded (In Lakhs)	High (in ₹)	Low (in ₹)	Volume of Shares Traded (In Lakhs)
September-20	95.25	64.35	1792.04	95.05	64.25	97.74
October-20	130.85	87.00	2372.17	130.95	86.70	185.30
November-20	138.00	113.20	1459.08	138.00	113.00	86.96
December-20	146.40	118.50	2054.16	146.00	121.60	108.26
January-21	143.35	108.55	1183.11	143.50	180.15	70.69
February-21	134.75	112.90	891.34	134.60	112.65	66.35
March-21	122.10	99.80	1452.06	122.75	99.50	66.05

17) Yearly Stock Performance vs Benchmark Index

NSE exchange	As on 31st March, 2020	As on 31st March, 2021	Change in %
Nifty (Closing Index)	8598	14690.70	70.86%
Nifty Pharma (Closing Index)	7177	12272.60	71.00%
Kopran Limited (Closing Price)	25.40	105.05	313.58%

18) Details of Unclaimed Suspense Account

Disclosure pertaining to Unclaimed Suspense Account as required under Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended:

There are no shares in demat suspense account reported by the RTA or any amount in unclaimed suspense account at the end of the financial year 31st March, 2021.

19) Nomination Facility

As per the provisions of Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, as amended, Members holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Share Transfer Agent. In respect of shares held in dematerialised form, the nomination form may be filed with the respective Depository Participant.

20) Means of communication

The Quarterly Financial Results of the Company for the 1st quarter, 2nd quarter and 3rd quarter was published in Business standard (English) & Tarun Bharat (Marathi). The Financial Results/Company news releases are also made available on the Company's website www.kopran.com and also on nseindia.com & bseindia.com

D. GENERAL INFORMATION

1. Subsidiary Company

The Company has one Material Subsidiary, Kopran Research Laboratories Limited. Composition of the Board of material subsidiary is in accordance with Regulation 24(1) of the Listing Regulations.

The Company's Audit Committee reviews the Financial Statement of the Subsidiary Companies also, including the investment made by subsidiaries.

- The minutes of Board Meetings and Committee Meetings of the subsidiary companies are placed before the Board of Directors at regular interval.
- All significant transaction including Loans, Guarantees and Investments of subsidiary company are reviewed periodically by the Company and placed before the Board.
- The Company has formulated a policy for determining material subsidiaries and the Policy is disclosed on the Company's web-link <http://www.kopran.com/investors/policy/pdf/Material%20Subsidiary%20Policy.pdf>

Annexure D to the Director's Report (Contd.)

2. Foreign Exchange Risk and hedging activities.

The Company's Sales is mainly in exports and it is exposed to fluctuations in foreign exchange rates. The Management however takes appropriate hedging strategies which limits the risk. The details of the Company's Foreign Exchange hedging activities are included in Notes to Financial Statements.

3. Disclosures

- i. There were no materially significant related party transactions that may have potential conflict with the interests of the Company at large. The Company has formulated a Related Party Transactions Policy and the same is displayed on the Company's website at the following web link <http://www.kopran.com/investors/policy/pdf/Policy%20on%20related%20party%20transaction.pdf>
- ii. The Company has complied with the requirements of the Stock Exchange, SEBI and other Statutory Authorities on all matters relating to Capital Markets during the last three years. No penalties or strictures were imposed on the Company by these authorities.
- iii. The Company has complied with all mandatory requirements of Listing Regulations with the Stock Exchanges as on 31st March, 2021.
- iv. Adoption / non adoption of non-mandatory requirements listed in Part E of Schedule II of the Listing Regulations as at 31st March, 2021 is as under:
 - a. The Company does not maintain an office for the Non-Executive Chairman.
 - b. As the Financial Results are published in the newspaper as well as displayed on the Company's website, the Results are not sent to household of each of the Shareholders.
 - c. The auditors have issued an unqualified opinion for financial statements for the year ended 31st March, 2021.
 - d. The Company is already having separate posts for Chairman and Executive Vice Chairman (Managing Director).
 - e. Internal Auditor reports to Audit Committee.
- v. Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the Statutory Auditor is a part:

(₹ In Lakhs)

Name of the Company	Name of Statutory Auditor	Particulars	Amount
Kopran Limited	Khandelwal Jain & Co.	Audit Fees	7.50
		Other Matters	1.50
Kopran Research Laboratories Limited	NGS & Co. LLP	Audit Fees	3.50
		Other Matters	1.50
Kopran Lifesciences Limited	NGS & Co. LLP	Audit Fees	0.05

- vi. There has not been any non-compliance on matters related to Capital Markets by the Company and no penalties or strictures were imposed on your Company by any of the Stock Exchange(s) or the Securities and Exchange Board of India or any statutory authority, on any matter related to capital markets, during the last three Financial Years.
- vii. During the Financial Year 2020-21, the Company has not raised funds through any kind of issue (public issue, rights issue, preferential issue, etc.)
- viii. During the Financial Year 2020-21, there were no instances reported/recorded, where the Board of Directors of the Company did not accept recommendation(s) of any of its Committees.
- ix. The Company has complied with all the requirements of Corporate Governance Report of sub-para (2) to (10) of Para C to Schedule V of the Listing Regulations:
- x. Disclosures of compliance with Corporate Governance requirements specified in Regulation 17 to 27 and Regulation 46(2)(b) to (i) of the Listing Regulations:

Annexure D to the Director's Report (Contd.)

Sr. No.	Particulars	Regulation	Compliance Status Yes/No/ N.A.	Compliance observed for the following:
1.	Independent directors	16(1)(b) & 25(6)	Yes	<ul style="list-style-type: none"> Independent directors have been appointed in terms of specified criteria of independence and or eligibility.
2.	Board of Directors	17 & 17A	Yes	<ul style="list-style-type: none"> Board Composition Meeting of Board of Directors Review of Compliance Reports Plans for Orderly Succession for Appointments Code of Conduct Minimum Information to be placed before the Board Compliance Certificate Risk Assessment and Management Performance Evaluation of Independent Directors Disclosure of shareholding by non-executive directors
3.	Audit Committee	18	Yes	<ul style="list-style-type: none"> Composition Meeting of Audit Committee Role & Powers of Audit Committee Review of Information by the Committee
4.	Nomination and Remuneration Committee	19	Yes	<ul style="list-style-type: none"> Composition Role of the Committee Frequency of Meetings Quorum
5.	Stakeholders Relationship Committee	20	Yes	<ul style="list-style-type: none"> Composition Role of the Committee Frequency of Meetings
6.	Risk Management Committee	21	Yes	<ul style="list-style-type: none"> Composition Role of the Committee
7.	Vigil Mechanism	22	Yes	<ul style="list-style-type: none"> Formulation of Vigil Mechanism Direct access to Chairperson of Audit Committee
8.	Related Party Transactions	23	Yes	<ul style="list-style-type: none"> Policy for Related Party Transactions Disclosure of Related Party Transactions Prior or omnibus approval of audit committee for all related party transactions
9.	Corporate Governance requirements with respect to subsidiary of Listed entity	24 & 24A	Yes	<ul style="list-style-type: none"> Review of Investments made by unlisted subsidiary companies by the Audit Committee Minutes of Meetings of Board of Directors of unlisted subsidiary companies placed at the Meetings of the Board of Directors of the Company Secretarial Audit Report of Material Subsidiary to be annexed

Annexure D to the Director's Report (Contd.)

Sr. No.	Particulars	Regulation	Compliance Status Yes/No/ N.A.	Compliance observed for the following:
10	Obligations with respect to Independent Directors	25	Yes	<ul style="list-style-type: none"> Maximum Directorships and Tenure Meeting of Independent Directors Familiarisation of Independent Directors
11.	Obligations with respect to Directors and Senior Management	26	Yes	<ul style="list-style-type: none"> Memberships / Chairmanships in Committees Affirmation with compliance to Code of Conduct from Directors and Senior Management
12.	Other Corporate Governance Requirements	27	Yes	<ul style="list-style-type: none"> Compliance with discretionary requirements Filing of quarterly compliance report on Corporate Governance
13.	Website	46(2)(b) to (i)	Yes	<ul style="list-style-type: none"> Terms and conditions of appointment of Independent Directors Composition of various Committees of Board of Directors Code of Business Conduct and Ethics for Directors Management Personnel Details of establishment of Vigil Mechanism / Whistle Blower Policy Policy on dealing with Related Party Transactions Details of familiarisation programmes imparted to Independent Directors

On behalf of the Board of Directors

Date: 27th May, 2021
Place: Mumbai

Mr. Susheel G. Somani
Chairman
(DIN: 00601727)

Mr.Surendra Somani
Executive Vice Chairman
(DIN: 00600860)



Kopran

Annexure D to the Director's Report (Contd.)

ANNEXURE 1

Code of Conduct

The Board has adopted Code of Conduct for all Board Members and Senior Management Personnel of the Company and the said Code of Conduct is placed on the website of the Company at www.kopran.com. A declaration signed by the Chief Executive Officer is given below:

I hereby confirm that:

All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the financial year ended 31st March, 2021.

Mr. Surendra Somani
Executive Vice Chairman
(DIN: 00600860)

Annexure D to the Director's Report (Contd.)

ANNEXURE 2

Chief Executive Officer (CEO) & Chief Financial Officer (CFO) Certification

The Board of Directors,

Kopran Limited

Dear Members of the Board,

We the undersigned, Surendra Somani, Executive Vice Chairman and Basant Kumar Soni, Chief Financial Officer of Kopran Limited, to the best of our knowledge and belief, certify that:

- (a) We have reviewed the financial statements and the cash flow statement for the financial year ended 31st March, 2021 and to the best of our knowledge and belief, we state that:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- (b) There are no transactions entered into by the Company during the financial year, which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
 - (i) significant changes, if any, in the internal control over financial reporting during the year;
 - (ii) significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Date: 27th May, 2021
Place: Mumbai

Mr. Surendra Somani
Executive Vice Chairman
(DIN: 00600860)

Mr. Basant Kumar Soni
Chief Financial Officer

Annexure D to the Director's Report (Contd.)

NIRALI MEHTA

COMPANY SECRETARY

CERTIFICATE REGARDING COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,

The Members,

Kopran Limited

CIN: L24230MH1958PLC011078

Parijat House, 1076,
Dr. E. Moses Road,
Worli, Mumbai – 400 018

I, have examined the compliance of the conditions of Corporate Governance procedures implemented by KOPRAN LIMITED (the "**Company**") for the financial year ended on March 31, 2021 as per Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "**Listing Regulations**") pursuant to the Listing agreement of the Company with the Stock Exchanges and I have examined the relevant records of the Company in accordance with the Guidance Note on Corporate Governance Certificate issued by The Institute of Company Secretaries of India (the "ICSI").

In my opinion and to the best of my information and according to the explanations given to me, and the representations made by the Directors and Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations, as applicable.

The Compliance of the conditions of Corporate Governance is the responsibility of the Management. My examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Ensuring eligibility for appointment / continuity of every director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification.

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

Nirali Mehta

Practicing Company Secretary

UDIN: A037734C000369164

Membership No: A37734

COP No: 20754

Date: May 27, 2021

Place: Mumbai

712-714, C- Wing, Trade World, Kamla Mill Compound,
Senapati Bapat Marg, Lower Parel, Mumbai – 400 013

Contact: +91 8169175537/+91 9819733214

PAN: AZRPM4701G

Annexure D to the Director's Report (Contd.)

NIRALI MEHTA

COMPANY SECRETARY

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
Kopran Limited
CIN: L24230MH1958PLC011078
Parijat House, 1076,
Dr. E. Moses Road,
Worli, Mumbai – 400 018

I, have examined the relevant registers, records, forms, returns and disclosures received from the Directors of KOPRAN LIMITED having CIN: L24230MH1958PLC011078 and having registered office at Parijat House, 1076, Dr. E. Moses Road, Worli, Mumbai – 400 018 (hereinafter referred to as the "**Company**"), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as at the end of the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

The details of directors are captured herewith:

Sr. No.	Name of the Director	DIN	Date of Appointment at current Designation
1.	Mamta Ashok Biyani	01850136	08 May 2019
2.	Sunita Banerji	02476075	29 September 2014
3.	Varun Surendra Somani	00015384	29 May 2018
4.	Siddhan Subramanian	02101174	29 September 2014
5.	Somani Surendra	00600860	11 June 1997
6.	Susheel Gajadhar Somani	00601727	20 September 2019
7.	Adarsh Rajendra Somani	00192609	29 May 2018
8.	Narayan Tulsiram Atal	00237626	08 May 2019

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the Management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Nirali Mehta

Practicing Company Secretary
UDIN: A037734C000369164
Membership No: A37734
COP No: 20754

Date: May 27, 2021
Place: Mumbai

712-714, C- Wing, Trade World, Kamla Mill Compound,
Senapati Bapat Marg, Lower Parel, Mumbai – 400 013
Contact: +91 8169175537/+91 9819733214
PAN: AZRPM4701G

Annexure E (i) to the Director's Report

NIRALI MEHTA

COMPANY SECRETARY

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2021

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

To,
The Members,
Kopran Limited
CIN: L24230MH1958PLC011078
Parijat House, 1076,
Dr. E. Moses Road,
Worli, Mumbai – 400 018

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **KOPRAN LIMITED**. (hereinafter called the "**Company**"). The Secretarial Audit was conducted in a manner that provided a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

Due to unprecedented lockdown imposed in the country caused by COVID-19 at a crucial time when the audit was underway limiting the availability of physical access to the records of the Company, and which lockdown continues even on the date of signing this report, I have examined in the best possible manner, books, papers, minute books, forms and returns filed and other records maintained by the

Company for the financial year ended on 31st March, 2021, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- c) The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **Not applicable as the Company has not issued any further share capital during the period under review]**

712-714, C- Wing, Trade World, Kamla Mill Compound,
Senapati Bapat Marg, Lower Parel, Mumbai – 400 013
Contact: +91 8169175537/+91 9819733214
PAN: AZRPM4701G

Annexure E (i) to the Director's Report (Contd.)

- d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not applicable as the Company has not issued any further share capital during the period under review]**
- e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 **[Not applicable as the Company has not issued any Employee Stock Option Scheme and Employee Stock Purchase Scheme to the Company during the audit period];**
- f) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **[Not applicable during the period of audit];**
- g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **[Not applicable as the Company has not issued and listed any debt securities during the financial year under review]**
- h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **[Not applicable as the Company has not delisted its equity shares during the period under review] and**
- i) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998; **[Not applicable as the Company has not bought back its securities during the period under review];**

Other laws applicable specifically to the Company a list of which has been provided by the management namely:

- Drugs and Cosmetics Act, 1940 and Rules made there-under;
- Drugs Price Control Order, 2013;
- National Pharmaceuticals Pricing Policy, 2012;
- The Pharmacy Act, 1948;
- The Narcotic Drugs and Psychotropic Substances Act, 1985;
- The Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954;
- Food Safety and Standards Act, 2006.

The examination and reporting of these laws and rules are limited to whether there are adequate systems and processes are in place to monitor and ensure compliance with those laws.

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

- i. Secretarial Standards with respect to Board and General Meetings (SS-1 and SS- 2) specified by The Institute of Company Secretaries of India;
- ii. The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executive Directors and Independent Directors.

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



Kopran

Annexure E (i) to the Director's Report (Contd.)

prior approvals of Board of Directors have been obtained. Majority decision is carried through in the Board Meetings and that of its Committee and there were no dissenting members' view in any of the meetings.

I further report that based on the information provided and the representation made by the Chief Financial Officer/Company Secretary, taken on record by the Board of Directors of the Company, in my opinion, adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

The compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

I further report that during the year under report, the Company has not undertaken event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc. referred to above.

Nirali Mehta

Practicing Company Secretary

UDIN: A037734C000369164

Membership No: A37734

COP No: 20754

Date: May 27, 2021

Place: Mumbai

Note:

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

Annexure E (i) to the Director's Report (Contd.)

NIRALI MEHTA

COMPANY SECRETARY

ANNEXURE I

To,
The Members,
Kopran Limited
CIN: L24230MH1958PLC011078
Parijat House,
1076, Dr. E. Moses Road,
Worli, Mumbai – 400 018.

MANAGEMENT'S RESPONSIBILITY

1. It is the responsibility of management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

AUDITOR'S RESPONSIBILITY

2. My responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. I believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for my opinion.
4. Wherever required, I have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

DISCLAIMER

5. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted affairs of the Company.
6. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

Nirali Mehta

Practicing Company Secretary
UDIN: A037734C000369164

Membership No: A37734
COP No: 20754

Date: May 27, 2021

Place: Mumbai

Annexure E (ii) to the Director's Report

NIRALI MEHTA

COMPANY SECRETARY

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014 read with Regulation 24A of the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 and Circular no. CIR/CFD/CMD1/27/2019 dated 8th February, 2019 issued by of the Securities and Exchange Board of India)

To,
The Members,
Kopran Research Laboratories Limited
CIN: U24230MH1986PLC040601
Parijat House, 1076,
Dr. E. Moses Road,
Worli, Mumbai – 400 018.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **KOPRAN RESEARCH LABORATORIES LIMITED** (hereinafter called the "**Company**"). Secretarial Audit was conducted in a manner that provided a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

Due to unprecedented lockdown imposed in the country caused by COVID-19 at a crucial time when the audit was underway limiting the availability of physical access to the records of the Company, and which lockdown continues even on the date of signing this report, I have examined in the best possible manner, the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (iii) Other laws applicable specifically to the Company a list of which has been provided by the management namely:
 - Drugs and Cosmetics Act, 1940 and Rules made there-under;
 - Drugs Price Control Order, 2013;
 - National Pharmaceuticals Pricing Policy, 2012;
 - The Pharmacy Act, 1948;
 - The Narcotic Drugs and Psychotropic Substances Act, 1985;
 - The Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954;

Annexure E (ii) to the Director's Report (Contd.)

- Food Safety and Standards Act, 2006.

The examination and reporting of these laws and rules are limited to whether there are adequate systems and processes in place to monitor and ensure compliance with those laws.

I have also examined compliance with Secretarial Standards with respect to Board and General Meetings (SS-1 and SS-2) specified by The Institute of Company Secretaries of India; During the year under review, the company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executive Directors and Independent Directors.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. In case of notice/ agenda sent through shorter notice, prior approvals of Board of Directors have been obtained. Majority decision is carried through in the Board Meetings and that of its Committee and there were no dissenting members' view in any of the meetings.

I further report that based on the information provided and the representation made by the Chief Financial Officer/Company Secretary, taken on record by the Board of Directors of the Company, in my opinion, adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

The compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

I further report that during the year under report, the company has not undertaken event/action having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc. referred to above.

Nirali Mehta

Practicing Company Secretary

UDIN: A037734C000370088

Membership No: A37734

COP No: 20754

Date: May 26, 2021

Place: Mumbai

Note:

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

Annexure E (ii) to the Director's Report (Contd.)

NIRALI MEHTA
COMPANY SECRETARY

ANNEXURE I

To,
The Members,
Kopran Research Laboratories Limited
CIN: U24230MH1986PLC040601
Parijat House, 1076,
Dr. E. Moses Road,
Worli, Mumbai – 400 018

MANAGEMENT'S RESPONSIBILITY

1. It is the responsibility of management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

AUDITOR'S RESPONSIBILITY

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. I believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, I have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

DISCLAIMER

5. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted affairs of the Company.
6. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

Nirali Mehta
Practicing Company Secretary
UDIN: A037734C000370088
Membership No: A37734
COP No: 20754

Date: May 26, 2021
Place: Mumbai

Annexure F to the Director's Report

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

Information required under section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 pertaining to Conservation of energy, Technology absorption, Foreign exchange earnings and outgo for the financial year 2020-21.

A. CONSERVATION OF ENERGY

1. On line UPS of 20 kva and 30 kva installation into plant I & II for PLC, HMI and other critical equipment's to constant voltage & reduce power consumption.
2. The Company has replaced the 40 watt florescent conventional lights by energy efficient 20 watt LED light fixtures for PM warehouse and service floor both plants that is 110 no.
3. Utility cooling tower fan installation plan with low weight material blade assembly to save 20 percent of power of 10 HP motor.
4. Automatic Power factor control: The Company has plan to install additional UPFC (ultra fine tuned PF correction) panel 60 kvar with existing panel reactor installation to reduce harmonics with PF-0.998.
5. Soft starter installation plan to 240 TR screw chiller & 100 HP air compressor.
6. The Company has use new expansion area of control sample, document and warehouse office 15 watt LED tube light fixtures Quantity-45 no instead of conventional tube lights.

B. TECHNOLOGY ABSORPTION

1. Efforts made towards Technology Absorption

- a. Formulation and development of modified release formulations like Prolonged release tamsulosin tablets, tadalafil mouth dissolving tablets,
- b. Conduct Laboratory trials for identified products, developed products, generate documents like MFC, TTD, PDR etc.
- c. Technology transfer of new products, Conduct validation and stability for developed products, e.g. Pregabalin Mecobalamine capsules, HCQS Tablet, Tadalafil MD Tablets, Tamsulosin Hydrochloride prolonged release tablets 0.4 mg, Amlodipine and Atorvastatin tablets etc.

2. Benefits derived like product improvement, cost reduction, product development or import substitution

- a. Optimised formulation and process for reduction or removal of API overages in existing products eg. CLOXIN (Cloxacillin Oral Solution 125mg/5ml) , Ampicloxa DS 250 mg/ 5ml, CLOXIN-250-(Cloxacillin Capsules BP 250mg), Decamox (Amoxicillin oral suspension BP 125mg/5ml) etc.
- b. Development of roll compaction process for Azithromycin capsules formulation for automated capsule filling and process time reduction
- c. Optimisation of coating process for reduction in process loss of coating material, ultimately reduced cost.
- d. Improved yield by reducing drying process loss in product containing maize starch like ATENOLOL 50 MG and ATENOLOL 100 MG, Klodip-5 (Amlodipine besilate 5 mg tablets), BREN 200(IBUPROFEN TABLETS BP 200mg), BREN 400(IBUPROFEN TABLETS BP 400mg), CARDIOTEN 50 mg Atenolol Tablets BP 50 mg), CARDIOTEN 100 mg Atenolol Tablets BP 100 mg), DIFISAL (Diclofenac Sodium Tablets 50mg) etc.
- e. Alternate API vendor development for Celecoxib capsules, ultimately reduced cost.



Kopran

Annexure F to the Director's Report (Contd.)

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Earnings: ₹ 20,419 Lakhs

Outgo : ₹ 3,737 Lakhs

On behalf of the Board of Directors

Date: 27th May, 2021
Place: Mumbai

Mr. Susheel G. Somani
Chairman
(DIN: 00601727)

Mr. Surendra Somani
Executive Vice Chairman
(DIN: 00600860)

Annexure G to the Director's Report

DISCLOSURE OF REMUNERATION UNDER SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

As per the provision of section 197 of the Companies Act, 2013 read with Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 every listed company are required to disclose following information in Board Report.

Ratio of Remuneration of each Director to the median Remuneration of the Employees of the company for the Financial Year.

Name	Ratio to Median = 1
Surendra Somani – Executive Vice Chairman	38.72

Note: All Non-Executive Directors are paid sitting fees and hence not considered for comparison of median remuneration.

Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any in the Financial Year.

Name	% increase
Surendra Somani – Executive Vice Chairman	No change
Basant Kumar Soni – Chief Financial Officer	No change
Sunil Sodhani – Company Secretary & Compliance officer	No change
Percentage increase in the median remuneration of employee in the financial year	No change
Number of permanent employees on the Roll of the Company	348

Average percentile increase already made in the Salaries of the employees other than the Managerial Personnel in the last Financial Year and its comparison with the percentile increase in the Managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the Managerial remuneration. : None

We affirm that the Remuneration paid to the Managerial and Non-Managerial Personnel is as per the Remuneration policy of the Company.

On behalf of the Board of Directors

Date: 27th May, 2021
Place: Mumbai

Mr. Susheel G. Somani
Chairman
(DIN: 00601727)

Mr. Surendra Somani
Executive Vice Chairman
(DIN: 00600860)

Annexure H to the Director's Report

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company : L24230MH1958PLC011078
2. Name of the Company : Kopran Limited
3. Registered address : Parijat House,1076, Dr E Moses Road, Worli, Mumbai – 400 018.
4. Website : www.kopran.com
5. E-mail id : investors@kopran.com
6. Financial Year reported : 2020-21
7. Sector(s) that the Company is engaged in (industrial activity code-wise):

Industrial activity code	Description
21001	Manufacture of medicinal substances used in the manufacture of pharmaceuticals

8. List three key products/services that the Company manufactures/provides (as in balance sheet)
 - i. Aryn
 - ii. Lokit
 - iii. Ciproquin
9. Total number of locations where business activity is undertaken by the Company
 - (a) Number of International Locations (Provide details of major 5)
The Company has foreign subsidiary at Hong Kong and has presence in 29+ countries.
Major geographies where the Company operates in are:
 - i. South Africa
 - ii. Ethopia
 - iii. Tanzania
 - iv. United Kingdom
 - v. Uganda
 - (b) Number of National Locations – One
10. Markets served by the Company – Local/State/National/International
The Company exports to around 29 countries worldwide which constitutes 94% of the total turnover, while 6% of its turnover constitutes local/state/National Markets.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital : ₹ 4,324.89 Lakhs
2. Total Turnover : ₹ 22,283.31 Lakhs
3. Total profit after taxes : ₹ 2,347.23 Lakhs
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)
The total CSR spend during the 2020-21 was ₹ 44.41 Lakhs which includes unspent amount of ₹ 17.37 Lakhs of previous financial years, ₹ 25.45 Lakhs towards the current financial year i.e. 2% of the average net profits of the Company made during the immediately three preceding financial years and ₹ 1.59 Lakhs, excess amount spent in the current financial year available for set off in succeeding financial years.
5. List of activities in which expenditure in 4 above has been incurred:-
 - (a) Covid-19 relief activities

Annexure H to the Director's Report (Contd.)

- (b) Infrastructure support to hospital
- (c) Contribution for Schedule VII Activities of the Companies Act 2013

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies? Yes
2. Do the Subsidiary Company/Companies participate in the Business Responsibility (BR) Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

The Subsidiary Companies participate in the Business Responsibility initiatives of the Parent Company. The Company has following subsidiaries :-

- i. Kopran Research Laboratories Limited
 - ii. Kopran Lifesciences Limited
 - iii. Kopran (H.K.) Limited
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

Other entity/ entities (e.g. suppliers, distributors etc.) do not participate in the Business Responsibility initiatives of the Company. The Company encourages its suppliers & distributors to participate in BR initiatives of the Company.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR
 - (a) Details of the Director/Director responsible for implementation of the BR policy/policies
 1. DIN Number - 00600860
 2. Name – Mr. Surendra Somani
 3. Designation - Executive Vice Chairman
 - (b) Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	00600860
2	Name	Mr. Surendra Somani
3	Designation	Executive Vice Chairman
4	Telephone number	022-43661111
5	e-mail id	cs@kopran.com

2. Principle-wise (as per NVGs) BR Policy/policies
 - (a) Details of compliance (Reply in Y/N)
 - Principle 1: Ethics, Transparency and Accountability [P1]
 - Principle 2: Product Sustainability [P2]
 - Principle 3: Employee Well-being [P3]
 - Principle 4: Stakeholders Engagement [P4]
 - Principle 5: Human Rights [P5]
 - Principle 6: Preservation of Environment [P6]
 - Principle 7: Advocacy [P7]
 - Principle 8: Inclusive Growth & Equitable Development [P8]
 - Principle 9: Customer Value [P9]

Annexure H to the Director's Report (Contd.)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	Do you have a policy/ policies for P1 to P9	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	The policies are based on the National Voluntary Guidelines on Social, Environment and Economic responsibilities of business issued by the Ministry of Corporate Affairs, Government of India.								
4	Has the policy being approved by the Board?	Y	Y	Y	Y	Y	Y	Y	Y	Y
	Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	http://kopran.com/								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes								
8	Does the Company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	No								

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The Company has not understood the Principles	For point 2 (a) (10) the Company plans to carry out Independent evaluation within the next one year.								
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

The Company has formulated the Business Responsibility policy in the 2021-22. The Company's Business Responsibility performance shall be assessed annually.

Annexure H to the Director's Report (Contd.)

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

No.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Ethics, Transparency & Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes.
Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others? Yes. It extends to the subsidiary
2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.
During the year under review, the Company did not receive any such complaint(s).

Principle 2: Product Sustainability

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.
 - (a) Dust, Suspended particles are treated through scrubber & dust collection unit prior exposure of environment.
 - (b) ETP water discharged with treatment and recycled for gardening and plantation.
 - (c) 15 VFD installed for Air Handling units to reduce the power consumption.
2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):
 - (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?
 - (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The Company has achieved reduction in resource use by implementing the following:-

- i. Utility area cooling tower motor 40 HP pump replaced by 30 HP higher efficiency to reduce 7.46 KW power per hrs.
 - ii. Process time for manufacturing of tablets and capsules has been reduced with installation of Pneumatic transfer system for powdered material.
 - iii. Automatic blister pack machine with cartonator (Make: Accupack) procured and in operations in plant as a part of automation in carton packing process.
 - iv. Coating process time for tablets manufacturing has been reduced with changes in formulation and processing parameter.
 - v. Capsules filing process improved for Azithromycin capsules from semi-automatic to automatic encapsulation process.
 - vi. The benefits derived like product improvement, cost reduction, product development or import substitution.
 - vii. Drying and coating process cycle time reduced for tablet formulation.
 - viii. Improved yield in the formulation in Ciproquin -500, Bren 400, Ibusor 200, Amyn dry syrup etc.
 - ix. The expenditure incurred on Research and Development;
 - x. Automatic Capsules filling machine has been procured.
3. Does the Company have procedures in place for sustainable sourcing (including transportation)?
 - (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company has formulated an operating procedure to approve vendors. Materials are procured from approved vendors both, local and international. Procedures are in place for Vendor management, transport validation. The

Annexure H to the Director's Report (Contd.)

sources are validated in defined frequencies with risk base approach. Annual vendor rating is also part of defined procedure. Transport validation studies are done for transit of goods.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes, the Company gives preference to the local & small producers and in case of unavailability other sources are looked upon. In to reduce the Carbon footprint and to support sustainability, majority of suppliers are located close to the manufacturing plants, thereby reducing transportation & fuel consumption as well vehicle emission into environment.

5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Yes, before disposal of wastes it is treated to adhere to the Environmental norms. ETP water discharged with treatment and recycled for gardening and plantation. The Company provides technical support and guidance to vendors in developing products wherever possible.

Principle 3: Employee Well Being

1. Total number of employees : 848
2. Total number of employees hired on temporary/contractual/casual basis : 500
3. Please indicate the Number of permanent women employees : 28
4. Please indicate the Number of permanent employees with disabilities : 0
5. Do you have an employee association that is recognized by management : Yes
6. What percentage of your permanent employees is members of this recognized employee association? : 70%
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	Nil	
2	Sexual harassment		
3	Discriminatory employment		

8. What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?
- (a) Permanent Employees – 100%
 - (b) Permanent Women Employees – 100%
 - (c) Casual/Temporary/Contractual Employees – 100%
 - (d) Employees with Disabilities – Not Applicable

Principle 4: Stakeholders Engagement

1. Has the Company mapped its internal and external stakeholders? : Yes
2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders : Yes
3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so:

The Company follows highest standards of Corporate Governance practices for the benefit of all the stakeholders. The whistle blower mechanism is in place for any of the stakeholders to report their grievance(s).

Annexure H to the Director's Report (Contd.)

Principle 5: Human Rights

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?
The Company's policy on human rights covers the Company & its subsidiaries. The Company encourages its Business Partners to follow the policy.
2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?
During the year under review, the Company did not receive any such complaint(s).

Principle 6: Preservation of Environment

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others:
The Company's policy on environment covers the Company & its subsidiaries. We encourage our business partners to follow the policy. Further, suppliers / contractors having related ISO certification given preferential treatment in selection process.
2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc:
Yes, the Company is committed to control the emissions and keeps it well below the allowable limits. The Company emphasizes on optimizing the use of natural resources through Maharashtra Pollution Control Board/ Central Pollution Control Board of Industrial Associations and government authorities.
The Company as a continuous ongoing activity uses energy efficient machineries and processes at project sites optimizing the use of natural resources on an ongoing basis. The details of such initiatives undertaken by the Company are provided in Annexure to the Directors Report on Conservation of Energy & Technology Absorption.
3. Does the Company identify and assess potential environmental risks?
Yes. Environmental aspect and impact assessment is done while installing various control equipment. Measures prescribed as per the environmental control parameters of air, water and solid waste are followed.
Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?
At present, the Company does not have any project related to Clean Development Mechanism
4. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.
Yes, below mentioned are the details of few initiatives undertaken by the Company:-
 - i. Atomization with eco-friendly equipment installed by replacing of old equipment to enable resource efficient and sustainable manufacturing leading to increase in productivity and reduction in the energy consumption, waste generation, etc.
 - ii. Energy audit is undertaken & solar equipment has been installed.
 - iii. Tree plantation is undertaken in open premises to maintain clean, green and hygienic environment in surrounding areas.
5. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?
Yes. In 2020-21, the emissions, solid waste and effluents generated were within the limits as prescribed by CPCB or SPCB. Environmental monitoring is done once in a six month by the Company with respect to the following:-
 - i. Noise Monitoring
 - ii. Ambient Air Monitoring

Annexure H to the Director's Report (Contd.)

- iii. Workplace Noise
 - iv. DG Set Stack monitoring
 - v. Soil Testing
 - vi. Waste water treatment report
6. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year: Nil

Principle 7: Advocacy

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with.

Yes, the Company is a member of the following key associations:

- i. Industrial Association (IAK)- Khopoli,
 - ii. Mumbai Waste Management-Taloja,
 - iii. Maharashtra Pollution Control Board
 - iv. CETP PRIA – Patalganga
2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Yes, the Company has advocated on Inclusive Development Policies through associations to maintain good relations with NGO, associates, Local leaders and surrounding villagers including gram panchayat.

Principle 8: Inclusive Growth & Equitable Development

1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes, the Company undertakes the initiatives through the CSR committee of the Board as per the CSR policy of the Company. The Company has a dedicated CSR Committee, which evaluates monitors and supervises the CSR activities. The details can be found in Annexure to the Directors Report.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?

The aforesaid projects have been carried out by the Company directly and/or through implementing agencies. The details can be found in Annexure to the Directors Report.

3. Have you done any impact assessment of your initiative?:

No

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

The details are mentioned in CSR Report Annexure to the Directors Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

The Company has also constituted a CSR committee to oversee the execution of welfare programs.

The CSR Committee looks for opportunities to spend the CSR amount in the local communities as per the CSR Policy adopted by the Company.

Annexure H to the Director's Report (Contd.)

Principle 9: Customer Value

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.
Nil
2. Does the Company display product information on the product label, over and above what is mandated as per local laws?
Yes/No/N.A. /Remarks(additional information)
No. The Company follows all legal statues with respect to product labeling and displaying of product information
3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.
There are no such cases filed by any stakeholder.
4. Did your company carry out any consumer survey/ consumer satisfaction trends?:
No

On behalf of the Board of Directors

Date: 27th May, 2021
Place: Mumbai

Mr. Susheel G. Somani
Chairman
(DIN: 00601727)

Mr. Surendra Somani
Executive Vice Chairman
(DIN: 00600860)



KOPRAN LIMITED

CIN: L24230 MH1958PLC 011078

Registered Office: Parijat House, 1076, Dr. E. Moses Road, Worli, Mumbai – 400 018

Website: www.kopran.com, Email: investors@kopran.com,

Tel. No. 022- 43661111, Fax No. 022-24950363

NOTICE OF 62ND ANNUAL GENERAL MEETING OF KOPRAN LIMITED

Notice is hereby given that the 62nd Annual General Meeting (AGM) of the members of Kopran Limited will be held on Tuesday, 31st August, 2021 at 12.30 p.m (IST) through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM"), to transact the following business:

ORDINARY BUSINESS

Item no. 1: Adoption of the Annual Audited Financial Statement & Reports thereon

To receive, consider and adopt the Audited Standalone & Consolidated Financial Statement of the Company for the financial year ended 31st March, 2021 together with the Reports of the Board of Directors and Auditors thereon.

Item no. 2: To Confirm Interim Dividend and Declare Final dividend on Equity Shares

To Confirm the payment of Interim Dividend on Equity Shares and to declare a Final Dividend on Equity shares for the Financial Year 2020-21.

Item no. 3: Re-Appointment of Director

To consider, and if thought fit, to pass the following resolution as a special resolution:

"RESOLVED THAT pursuant to the provisions of section 152 and other applicable provisions of the Companies Act 2013, alongwith Regulation 17(1A) of SEBI (LODR), the approval of the shareholders of the Company, be and is hereby accorded to the re-appointment of Mr. Susheel G. Somani (DIN: 00601727), who having attained the age of eighty years, offers himself for re-appointment as non-executive and non Independent Director of the Company liable to retire by rotation."

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Pursuant to Section 102 of the Companies Act, 2013 ("the Act"), the following Explanatory Statement along with Annexure sets out all material facts relating to the business mentioned under Item Nos. 3 of the accompanying Notice dated 3rd August 2021.

Item No. 3: Pursuant to the provisions of Sections 152 and other applicable provisions of the Companies Act 2013 and the Company's Articles of Association not less than two-thirds of total number of Directors of the Company shall be liable to retire by rotation. One third of these Directors must retire from office at each AGM, but each retiring director can be re-elected at such meeting. Independent directors are not subject to retirement by rotation. Accordingly Mr. Susheel G.Somani is required to retire by rotation at this AGM and has offered himself for re-appointment subject to member's approval by special resolution.

The Company has received from Mr. Susheel Somani intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.

In the opinion of the Board of Directors, Mr. Susheel Somani proposed to be re-appointed, as a Director, fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder. The Board is of the view considering his good health and vast experience in industry will assist the Company to achieve its objective. The Nomination & Remuneration Committee on its meeting held on 27th May, 2021 recommended the Board for reappointment of Mr. Susheel G. Somani.

The Profile and specific areas of expertise of Mr. Susheel Somani are provided as Annexure to this Notice.

None of the Directors or Key Managerial Personnel of the Company and/ or their relatives is interested or concerned, in the Resolution except Mr. Susheel Somani.

The Board recommends the resolution set forth in Item No. 3 for the approval of the Members.

Notice (Contd.)

Annexure (to the Explanatory Statement)

Details of Director proposed to be re-appointed at the Annual General Meeting scheduled to be held on Tuesday 31st August, 2021 [Pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended.]

BRIEF RESUME OF DIRECTOR

Name of the Director	Mr. Susheel Somani
Director Identification Number	00601727
Designation, Category of Directorship	Non Independent(Promoter),Non Executive
Date of Birth(Age)	01.11.1941 (80 years)
Date of Appointment	20 th July, 2019
Nature of Expertise in specific functional areas	Finance and Human Resource
Qualifications	M.sc in Organic Chemistry from Institute of Science, Bombay University in 1965 and six months residential course called "Management Education Programme" at Indian Institute of Management, Ahmedabad in 1979-80.
Remuneration and Terms & conditions of reappointment	Sitting fees as approved by Board from time to time, Liable to retire by rotation
No of shares held	
a) On own	8,71,900 Equity Shares
b) For other persons on a beneficial basis	None
Relationship between directors inter-se	None
Directorship in Listed entities	Oricon Enterprises Limited
Committee membership in other companies	None

By order of the Board of Directors For Koprán Limited

Sunil Sodhani

Company Secretary & Compliance Officer
FCS No: 3897

Place: Mumbai

Date: 3rd August 2021

Notice (Contd.)

NOTES:

1. The Company's Register of Members and Share Transfer Books shall be closed from 9th August 2021 to 11th August 2021 (both days inclusive).
2. The Notice of the AGM along with Annual Reports 2020-21 is being sent by electronic mode to those members whose E-mail addresses are registered with the Depositories/Company.
3. M/s. P.P. Singh & Co, Practicing Company Secretary (Membership No. A33381, COP No. 15570) has been appointed as the Scrutiniser to scrutinise the e-voting process.
4. The results declared along with the Scrutiniser's Report shall be placed on the Company's website www.kopran.com and on the website of NSDL within two days of the passing of the resolutions at the 62nd AGM of the Company on 31st August, 2021 and communicated to the BSE & NSE, where the shares of the Company are listed.
5. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated 8th April, 2020, Circular No.17/2020 dated 13th April, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated 5th May, 2020 and Circular No. 02/2021 dated 13th January, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the EGM/AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing EGM/AGM through VC/OAVM.
6. Pursuant to the Circular No. 14/2020 dated 8th April, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this EGM/AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the EGM/AGM through VC/OAVM and participate there at and cast their votes through e-voting.
7. The Members can join the EGM/AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first served basis.
8. The attendance of the Members attending the EGM/AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
9. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated 8th April, 2020, 13th April, 2020 and 5th May, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the EGM/AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the EGM/AGM will be provided by NSDL.
10. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated 13th April, 2020, the Notice calling the EGM/AGM has been uploaded on the website of the Company at www.kopran.com The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the EGM/AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
11. EGM/AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated 8th April, 2020 and MCA Circular No. 17/2020 dated 13th April, 2020, MCA Circular No. 20/2020 dated 5th May, 2020 and MCA Circular No. 2/2021 dated 13th January, 2021.

Notice (Contd.)

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on 28th August, 2021 at 9:00 A.M. and ends on 30th August, 2021 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 24th August, 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 24th August, 2021.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated 9th December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li data-bbox="683 959 1453 1342">1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDeAS" section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. <li data-bbox="683 1349 1453 1464">2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp <li data-bbox="683 1470 1453 1834">3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

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Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsd.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***.

5. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

- a) Click on "[Forgot User Details/Password?](#)"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsd.com.
- b) [Physical User Reset Password?](#)" (If you are holding shares in physical mode) option available on www.evoting.nsd.com.
- c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

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Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutiniser by e-mail to pushpendra@mindspright.co.in with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to NSDL Official at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to investors@kopran.com
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to investors@kopran.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated 9th December, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not

Notice (Contd.)

casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

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

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders, who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (investors@kopran.com). The same will be replied by the Company suitably.

Independent Auditor's Report

To the Members of **Kopran Limited**

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the standalone financial statements of Kopran Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its profit (including other comprehensive income), its cash flows and changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

We have determined the matters described below to be the key audit matters to be Communicated in our report. For each matter below, the description of how our audit addressed the matter is provided in the above context.

Sr. No.	Key audit matter description	How the scope of our audit addressed the key audit matter
1	<p>Evaluation of Provision and Contingent Liabilities</p> <p>As at the Balance Sheet date, the Company has significant open litigation and other contingent liabilities as disclosed in note no. 33(a). The assessment of the existence of the present legal or constructive obligation, analysis of the probability or possibility of the related payment require the management to make judgement and estimates in relation to the issues of each matter.</p> <p>The management with the help of opinion and advise of its experts have made such judgements and estimates relating to the likelihood of an obligation arising and whether there is a need to recognise a provision or disclose a contingent liability.</p> <p>Due to the level of judgement relating to recognition, valuation and presentation of provision and contingent liabilities, this is considered to be a key audit matter.</p>	<p>We have reviewed and held discussions with the management to understand their processes to identify new possible obligations and changes in existing obligations for compliance with the requirements of Ind AS 37 on Provisions, Contingent Liabilities and Contingent Assets.</p> <p>We have also discussed with the management significant changes from prior periods and obtained a detailed understanding of these items and assumptions applied. We have held meetings with the management and key legal personnel responsible for handling legal matters.</p> <p>In addition, we have reviewed:</p> <ul style="list-style-type: none"> ● the details of the proceedings before the relevant authorities including communication from the advocates / experts; ● legal advises / opinions obtained by the management, if any, from experts in the field of law on the legal cases;

Independent Auditor's Report (Contd.)

Sr. No.	Key audit matter description	How the scope of our audit addressed the key audit matter
		<ul style="list-style-type: none"> ● status of each of the material matters as on the date of the balance sheet. <p>We have assessed the appropriateness of provisioning based on assumptions made by the management and the disclosure and presentation of the significant contingent liabilities in the financial statements.</p>
2	Valuation of inventory:	
	<p>Inventory comprises of Raw Materials, Finished Goods, Stock in process and Stores and Spares. There is an inherent risk around the accuracy of the valuation of the closing stocks.</p> <p>Inventories are valued at lower of cost and net realisable value. These involve significant management judgement to determine the obsolete or slow moving items of inventory and to evaluate the realisable values. Further, Amoxicillin Trihydrate is the main raw material for the Company, which is partly imported, and is subject to high price fluctuation risk as well as foreign currency risk.</p> <p>The volatility in the prices of Amoxicillin Trihydrate may significantly impact the valuation of not only Raw material but also other items of inventory.</p> <p>In determining the net realisable value, the management uses data of sales of finished good available which is a management estimate.</p> <p>We have considered this as a key audit matter due to the significance in the amount of inventory and volatility in the prices of Amoxicillin Trihydrate.</p>	<p>We have reviewed the stock records and held discussions with the management with regard to determination of slow moving and obsolete items and valuation of realisable values of such items. We verified arithmetical accuracy of valuation records / reports.</p> <p>For a sample of inventory items we have verified that the First in First out (FIFO) Method for valuation in case of inventory is appropriate.</p> <p>We have reviewed the price movement of Amoxicillin Trihydrate with respect to cost to the Company.</p> <p>Compared such prices with the recent selling prices. Compared the value of Finished Goods with the last selling prices of the respective product to determine the basis of valuation adopted.</p>
3	Estimated allowance of trade receivables:	
	<p>The Trade receivables forms a significant part of the Group's total assets. The estimated allowance of trade receivables is identified as key audit matter due to the use of significant judgement and estimates with respect to the recoverability of overdue trade receivables. As detailed in note no. 50(b) of the standalone financial statements, the management reviews and assesses the recoverability of the carrying value of all overdue trade receivables individually by considering the credit history including default or delay in payments, settlement records and subsequent settlements.</p> <p>Allowance for doubtful debts will be provided for the amount of trade receivables that are considered as irrecoverable.</p>	<p>Our audit procedures in relation to the estimated allowance of trade receivables included:</p> <ul style="list-style-type: none"> ● Understanding how allowance for doubtful debts is estimated by the management; ● Testing the subsequent settlements of trade receivables, on a sample basis, to the source documents including bank statements and bank-in slips/ remittance advices. ● Discussing with the management and evaluating the basis of trade debtors that are overdue and without/ with little settlements subsequent to the end of the reporting period identified by the management and their assessment on the recoverability of overdue trade receivables.

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

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the standalone financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report. Our opinion on the standalone 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 standalone 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 standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When

Independent Auditor's Report (Contd.)

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

Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements

Independent Auditor's Report (Contd.)

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 standalone 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 Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2(A) As required by Section 143(3) of the Act, based on our audit we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on March 31, 2021 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this Report. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at March 31, 2021 on its financial position in its standalone financial statements - Refer Note 33(a) to the standalone financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 46(a) to the standalone financial statements;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company - Refer Note 46(b) to the standalone financial statements.
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 read with Schedule 5 to the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act.

For Khandelwal Jain & Co.,
Chartered Accountants,
Firm Registration No.: 105049W

(S. S. Shah)
Partner
Membership No.: 033632
UDIN: 21033632AAAABX7892

Place : Mumbai
Date : May 27, 2021

Annexure "A" to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of Kopran Limited on the standalone financial statements for the year ended March 31, 2021)

- i (a) The Company has maintained proper records showing full particulars including quantitative details and situations of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii The management has conducted physical verification of inventory once at the year-end, which, in our opinion, is reasonable. Discrepancies noted on physical verification of inventories were not material, and have been properly dealt with in the books of account. In respect of inventories lying with third parties, these have substantially been confirmed by them.
- iii In our opinion and according to information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
- iv In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- v According to the information and explanations given to us, the Company has not accepted any deposits during the year from the public within the meaning of sections 73 to 76 of the Act or any other provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- vi The maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act in respect of the Company's products. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii (a) According to the information and explanations given to us and records examined by us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service tax, duty of customs, Cess, and any other material statutory dues, as applicable to it, with the appropriate authorities.
- (b) According to information and explanations given to us, there were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Goods and Service Tax, duty of Customs, Cess, and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us and the records of the Company, the dues of Income tax, Sales tax, Service tax, Goods and Service tax, duty of Customs, duty of Excise, Value added tax, which have not been deposited on account of any dispute, amount involved and the forum where dispute is pending, are as under:

Annexure "A" to the Independent Auditors' Report

(₹ in Lakhs)

Name of the Statute	Nature of Dues	Amount Involved (₹ in Lakhs)	Period to which amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	0.44	2014-15	Commissioner of Central Excise
Service Tax Act Chapter V of the Finance Act, 1994	Service Tax	32.95	2001-02	High Court, Mumbai
		475.00	2006-07	High Court, Mumbai
Drug Price Control Order-95 (DPCO - 95)	Difference in Pricing	591.34	2002-03	High Court, Mumbai
Income Tax Act, 1961	Income Tax	206.32	2016-17	Commissioner of Income Tax (Appeals)
		1.24	2017-18	

- viii In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks and financial institutions and there are no loans or borrowings from Government and the Company has not issued any debentures.
- ix The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were raised.
- x During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees, has been noticed or reported during the year, nor have we been informed of any such case by the management.
- xi According to the information and explanations given to us and the books of accounts verified by us, the Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of section 197 read with the Schedule V to the Companies Act, 2013.
- xii In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the said Order is not applicable to the Company.
- xiii According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and the details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the said Order is not applicable to the Company.
- xv According to the information and explanations given to us and based on our examination of the records of the company, the Company has not entered into any non-cash transactions for acquisition of assets for consideration other than cash referred to in section 192 of the Act with its directors or persons connected with them.
- xvi According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.

For Khandelwal Jain & Co.,
Chartered Accountants,
Firm Registration No.: 105049W

(S. S. Shah)
Partner
Membership No.: 033632
UDIN: 21033632AAAABX7892

Place : Mumbai
Date : May 27, 2021

Annexure "B" to the Independent Auditors' Report

(Referred to in paragraph 2A(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of Kopran Limited on the standalone financial statements for the year ended March 31, 2021)

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

We have audited the internal financial controls over financial reporting of **KOPRAN LIMITED** ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting with reference to the standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial

Annexure “B” to the Independent Auditors’ Report (Contd.)

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2021, based on the criteria for internal control over financial reporting established by the Company considering the essential components of internal controls stated in the Guidance Note issued by ICAI.

For Khandelwal Jain & Co.,

Chartered Accountants,
Firm Registration No.: 105049W

(S. S. Shah)

Partner
Membership No.: 033632
UDIN: 21033632AAAABX7892

Place : Mumbai

Date : May 27, 2021

Standalone Balance Sheet

As at 31st March, 2021

(₹ in Lakhs)

Particulars	Notes No.	As at 31 st March, 2021	As at 31 st March, 2020
ASSETS			
1. Non - current assets			
Property, Plant and Equipment	4	4,460.25	4,288.51
Capital work-in-progress		-	93.70
Other Intangible assets	5	284.07	6.62
Intangible assets under development		282.13	613.03
Financial assets			
Investments	6	15,878.82	15,814.11
Loans	7	291.30	288.30
Deferred tax assets (net)	8	-	123.56
Other non - current assets	9	87.23	57.73
Total non - current assets		21,283.80	21,285.56
2. Current assets			
Inventories	10	2,750.26	4,117.12
Financial assets			
Trade receivables	11	4,946.35	4,247.59
Cash and cash equivalents	12	32.44	20.60
Bank balances other than cash and cash equivalents above	13	289.96	94.48
Loans	14	36.19	79.82
Other financial assets	15	209.07	5.32
Current tax assets (net)		38.04	72.38
Other current assets	16	2,809.26	2,786.03
Total current assets		11,111.57	11,423.34
Total Assets		32,395.37	32,708.90
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	4,325.16	4,324.89
Other equity	18	20,359.82	18,642.42
Total Equity		24,684.98	22,967.31
LIABILITIES			
1. Non - current liabilities			
Financial liabilities			
Borrowings	19	235.92	966.77
Provisions	20	386.04	387.93
Deferred tax liabilities (net)	8	231.44	-
Total non - current liabilities		853.40	1,354.70
2. Current liabilities			
Financial liabilities			
Borrowings	21	1,325.69	2,658.29
Trade payables			
a) total outstanding dues of micro enterprises and small enterprises	22	22.75	133.31
b) total outstanding dues of creditors other than micro enterprises and small enterprises	22	3,973.26	3,028.35
Other financial liabilities	23	1,204.11	2,281.70
Other current liabilities	24	267.48	218.53
Provisions	25	63.70	66.71
Total current liabilities		6,856.99	8,386.89
Total Equity and Liabilities		32,395.37	32,708.90
Corporate Information	1		
Significant Accounting Policies	2		
Notes forming part of the Standalone Financial Statements	3 to 55		

As per our report of even date

For **Khandelwal Jain & Co**
Chartered Accountants
Firm Registration No: - 105049W

S. S. SHAH
Partner
Membership No.: 033632

Place : Mumbai
Date : 27th May, 2021

For and on behalf of the Board of Directors

SURENDRA SOMANI
Executive Vice Chairman
DIN: 00600860

B. K. SONI
Chief Financial Officer

SUSHEEL SOMANI
Director
DIN: 00601727

SUNIL SODHANI
Company Secretary

Standalone Statement of Profit and Loss

For the Year Ended 31st March, 2021

(₹ in Lakhs)

Particulars	Note No.	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
INCOME			
Revenue from operations	26	22,283.31	17,929.08
Other income	27	1,041.36	199.01
Total Income		23,324.67	18,128.09
EXPENSES			
Cost of materials consumed	28	10,516.20	10,896.12
Purchases of stock-in-trade		1,787.88	954.10
Changes in inventories of finished goods, stock-in-trade and work-in-progress	29	1,470.29	(1,733.34)
Employee benefits expense	30	1,833.87	2,002.16
Finance costs	31	380.67	596.17
Depreciation and amortization expense	4 & 5	410.28	347.23
Other expenses	32	3,654.96	3,492.39
Total Expenses		20,054.15	16,554.83
Profit before exceptional items and tax		3,270.52	1,573.26
Exceptional items (net)		-	-
Profit before tax		3,270.52	1,573.26
Tax Expense	44		
(1) Current Tax		575.68	280.07
(2) Deferred Tax		347.61	171.21
Total tax expense		923.29	451.28
Profit for the Year		2,347.23	1,121.98
Other Comprehensive Income (OCI)			
(i) Items that will not be reclassified subsequently to profit or loss			
a) Net changes in Fair value of investments in equity shares carried at fair value through OCI [(expenses) / income]		2.22	-
Income tax effect on Net changes in Fair value of investments in equity shares carried at fair value through OCI [credit / (charge)]		(0.42)	-
b) Remeasurement of defined employee benefit plans [(expenses) / write back]		23.92	1.62
Income tax effect on Remeasurement of defined employee benefit plans [(charge) / credit]		(6.97)	(0.47)
ii) a) Items that will be reclassified subsequently to profit or loss		-	-
b) Income tax relating to items that will be reclassified subsequently to profit or loss		-	-
Total Other Comprehensive Income for the year		18.75	1.15
Total Comprehensive Income for the year		2,365.98	1,123.13
Earnings per equity share (₹)			
Basic and Diluted-Par value of ₹ 10/- per share	34	5.43	2.59
Corporate Information	1		
Significant Accounting Policies	2		
Notes forming part of the Standalone Financial Statements	3 to 55		

As per our report of even date

For **Khandelwal Jain & Co**
Chartered Accountants
Firm Registration No: - 105049W

S. S. SHAH
Partner
Membership No.: 033632

Place : Mumbai
Date : 27th May, 2021

For and on behalf of the Board of Directors

SURENDRA SOMANI
Executive Vice Chairman
DIN: 00600860

B. K. SONI
Chief Financial Officer

SUSHEEL SOMANI
Director
DIN: 00601727

SUNIL SODHANI
Company Secretary

Standalone Statement of changes in equity

for the year ended 31st March, 2021

A) EQUITY SHARE CAPITAL		(₹ in Lakhs)						
Particulars	Amount							
As at 1st April, 2019	4,324.89							
Changes in equity share capital	-							
As at 31st March, 2020	4,324.89							
Changes in equity share capital								
Add: Calls in arrears	(b) 0.37							
Less: Forfeited Equity Shares	(c) (0.20)							
As at 31st March, 2021								
Fully paid up equity share capital	(d) = (a+b+c) 4,325.06							
Add: Forfeited Equity Shares	(e) 0.10							
Total Equity Share Capital	(d+e) 4,325.16							
B) OTHER EQUITY								
Particulars	Reserve and Surplus			Other Comprehensive Income	Total			
	Capital Reserve	General Reserve	Securities Premium	Export allowance reserve	Retained Earnings	Equity Instruments through OCI	Remeasurements of net defined benefit plans	
As at 1st April, 2019	1,484.74	814.21	12,256.20	0.40	2,894.99	(0.18)	68.93	17,519.29
Profit for the year	-	-	-	-	1,121.98	-	-	1,121.98
Other comprehensive income for the year	-	-	-	-	-	-	1.15	1.15
As at 31st March, 2020	1,484.74	814.21	12,256.20	0.40	4,016.97	(0.18)	70.08	18,642.42
Profit for the year	-	-	-	-	2,347.23	-	-	2,347.23
Dividend Paid	-	-	-	-	(648.77)	-	-	(648.77)
Securities Premium Received	-	-	0.17	-	-	-	-	0.17
Other comprehensive income for the year	-	-	-	-	-	1.81	16.96	18.77
As at 31st March, 2021	1,484.74	814.21	12,256.37	0.40	5,715.43	1.63	87.04	20,359.82

Standalone Statement of changes in equity

for the year ended 31st March, 2021 (Contd.)

The Description of the nature and purpose of each reserve within equity is as follows:

a) Capital Reserve:

Capital Reserves are mainly the reserves created by way of forfeiting the deposits received against the share warrants issued in the earlier years and the merger of Kopran Pharmaceuticals Ltd. with the Company, pursuant to the Scheme of Arrangement and Amalgamation sanctioned by the Hon'ble High Court of Judicature at Bombay in the financial year 2004-05.

b) General Reserve:

General reserve is created from time to time by way of transfer profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

c) Securities Premium:

Securities premium reserve is credited when shares are issued at premium. It is utilised in accordance with the provisions of the Act, to issue bonus shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs, etc.

d) Retained Earnings:

Retained earnings are the profits that the Company has earned till date less any transfer to General Reserve, dividends or other distributions paid to the shareholders.

e) Equity Instruments through OCI:

This represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, under an irrevocable option, net of amounts reclassified to retained earnings when such assets are disposed off.

Corporate Information

Significant Accounting Policies

Notes forming part of the Standalone Financial Statements

1

2

3 to 55

As per our report of even date

For **Khandelwal Jain & Co**

Chartered Accountants

Firm Registration No. - 105049W

S. S. SHAH

Partner

Membership No.: 033632

Place : Mumbai

Date : 27th May, 2021

For and on behalf of the Board of Directors

SURENDRA SOMANI

Executive Vice Chairman

DIN: 00600860

B. K. SONI

Chief Financial Officer

SUSHEEL SOMANI

Director

DIN: 00601727

SUNIL SODHANI

Company Secretary

Standalone Statement of Cash Flows

for the Year Ended 31st March, 2021

(₹ in Lakhs)

Particulars		As at 31 st March, 2021	As at 31 st March, 2020
Cash flows from operating activities			
Net Profit before tax		3,270.52	1,573.26
Adjustments for:			
Depreciation and Amortisation Expense		410.28	347.23
Dividend income		-	(0.07)
Finance cost		380.67	596.17
Interest income		(12.95)	(16.07)
Unrealised foreign exchange (gain) / loss (net)		(112.67)	263.01
Provision / write off for expected credit loss / trade receivables / advances (net)		139.20	36.53
Liabilities written back (net)		(4.26)	(0.36)
Financial guarantee Income		(62.50)	(62.50)
Operating profit before working capital changes		4,008.29	2,737.20
(Increase) / Decrease in inventories		1,366.85	(1,598.18)
Decrease / (Increase) in trade receivables		(682.93)	413.27
Decrease / (Increase) in loans receivables		34.63	199.50
Increase in other current / non-current assets		(84.27)	(54.52)
Increase / (Decrease) in trade payables		858.18	(133.98)
(Decrease) / Increase in provision for retirement benefits		19.02	29.53
(Decrease) / Increase in other financial liabilities		(150.63)	83.10
(Decrease) / Increase in other current liabilities		48.95	(291.72)
Cash generated from operations		5,418.09	1,384.20
Direct taxes paid (Net of refunds)		(541.33)	(386.87)
Net cash flow from operating activities	(A)	4,876.76	997.33
Cash flows (used in) / from investing activities			
Purchase of fixed assets, including capital work-in-progress		(428.88)	(454.00)
Purchase of intangibles including Intangible assets under development		(5.99)	(31.40)
Decrease in Creditors for capital goods		4.05	45.00
Increase in Capital Advance		(33.74)	11.37
Bank Balances Other than Cash and Cash Equivalents above		(195.48)	(10.03)
Decrease / (increase) in other financial assets		(203.75)	385.44
Decrease / (increase) in Loans receivables		-	100.14
Interest Income		12.95	16.07
Dividend Income		-	0.07
Net cash flow (used in)/ from investing activities	(B)	(850.84)	62.66
Cash flows (used in) / from financing activities			
Repayment of long-term borrowings (Net)		(9.46)	(10.09)
Redemption of 10% Non-Convertible Non-Cumulative Redeemable Preference Shares of ₹ 10 each		-	(858.00)
Inter corporate deposits (Net)		(721.38)	(636.10)

Standalone Statement of Cash Flows

for the Year Ended 31st March, 2021

(₹ in Lakhs)

Particulars		As at 31 st March, 2021	As at 31 st March, 2020
Repayment of short-term borrowings (Net)		(1,323.01)	757.43
Current Maturities of Long term debts		(936.59)	301.41
Dividend Paid		(648.77)	-
Proceeds from conversion of partly paid -up shares to fully paid up shares		0.23	-
Interest accrued		5.57	(18.46)
Interest paid		(380.67)	(596.17)
Net cash flow used in financing activities	(C)	(4,014.08)	(1,059.98)
Net increase in cash and cash equivalents	(A+B+C)	11.84	0.01
Cash and cash equivalents at the beginning of the year		20.60	20.59
Effect of exchange rate changes on Cash and cash equivalents		-	-
Cash and cash equivalents at the end of the year (Refer Note No. 12)		32.44	20.60

Note : The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Ind AS-7- "Statement of Cash Flow".

Corporate Information	1
Significant Accounting Policies	2
Notes forming part of the Standalone Financial Statements	3 to 55

As per our report of even date

For **Khandelwal Jain & Co**
Chartered Accountants
Firm Registration No: - 105049W

S. S. SHAH
Partner
Membership No.: 033632

Place : Mumbai
Date : 27th May, 2021

For and on behalf of the Board of Directors

SURENDRA SOMANI
Executive Vice Chairman
DIN: 00600860

B. K. SONI
Chief Financial Officer

SUSHEEL SOMANI
Director
DIN: 00601727

SUNIL SODHANI
Company Secretary

Notes to Standalone Financial Statements

for the year ended 31st March, 2021

1 CORPORATE INFORMATION

Kopran Limited (referred to "KL" or "the Company") is a public company domiciled in India and is incorporated under the provisions of the Companies Act, 1956 applicable in India. Its shares are listed on BSE and NSE in India. The Company is engaged in the business of manufacturing of Formulation (Finished Dosage Form).

The addresses of its registered office and principal place of business are disclosed in the introduction to the annual report.

The financial statements were authorised for issue by the board of directors on 27th May, 2021.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

Historical Cost Convention

The Financial Statements have been prepared on the historical cost basis except for the followings:

- certain financial assets and liabilities and contingent consideration that is measured at fair value or amortised cost at the end of each reporting period.
- assets held for sale measured at fair value less cost to sell;
- defined benefit plans plan assets measured at fair value; and
- Derivative financial instruments;

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

The Financial Statements are presented in Indian Rupees (which is the functional currency of the Company) in Lakhs and all values are rounded to the nearest two decimal point except where otherwise stated.

2.2 Current/non current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

Notes to Standalone Financial Statements

for the year ended 31st March, 2021 (Contd.)

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

2.3 Summary of significant accounting policies

(a) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is entity's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Monetary items denominated in foreign currency at the year end and not covered under forward exchange contracts are translated at the functional currency spot rate of exchange at the reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the consolidated statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(b) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Notes to Standalone Financial Statements

for the year ended 31st March, 2021 (Contd.)

The Company categorizes assets and liabilities measured at fair value into one of three levels as follows:

- **Level 1 – Quoted (unadjusted)**

This hierarchy includes financial instruments measured using quoted prices.

- **Level 2**

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

- **Level 3**

Level 3 inputs are unobservable inputs for the asset or liability.

(c) Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell and are disclosed separately under the head "Other Current Assets". once classified as held for sale are not depreciated or amortised.

(d) Property, plant and equipment

For transition to Ind AS, the Company has elected to continue with the carrying value of its Property, Plant and Equipment (PPE) recognized as of April 01, 2016 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date.

PPE are stated at actual cost less accumulated depreciation and impairment loss. Actual cost is inclusive of freight, installation cost, duties, taxes and other incidental expenses for bringing the asset to its working conditions for its intended use (net of recoverable taxes) and any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by the Management. It include professional fees and borrowing costs for qualifying assets.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from its previously assessed standard of performance. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Borrowing costs directly attributable to acquisition of property, plant and equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Advances paid towards the acquisition of Property, plant and equipment are disclosed as "Capital advances" under "Other Non - Current Assets" and the cost of assets not ready for its intended use as at the balance sheet date are disclosed as 'Capital work-in-progress'.

Notes to Standalone Financial Statements

for the year ended 31st March, 2021 (Contd.)

An item of PPE is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss when the asset is derecognized.

Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is neither related to the construction activity nor is incidental thereto is charged to the statement of profit and loss.

Depreciation methods, estimated useful lives and residual value

Depreciation of these PPE commences when the assets are ready for their intended use.

Depreciation is calculated on straight line basis using the useful lives estimated by the management, which are equal to those prescribed under Schedule II to the Companies Act, 2013.

The residual values are not more than 5% of the original cost of the asset.

On assets acquired on lease (including improvements to the leasehold premises), amortization has been provided for on Straight Line Method over the period of lease.

The estimated useful lives and residual values are reviewed on an annual basis and if necessary, changes in estimates are accounted for prospectively. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Depreciation on subsequent expenditure on PPE arising on account of capital improvement or other factors is provided for prospectively over the remaining useful life.

(e) Intangible assets

For transition to Ind AS, the Company has elected to continue with the carrying value of intangible assets recognized as of April 01, 2016 (transition date) measured as per the Previous GAAP and use that carrying value as its deemed cost as on the transition date.

Intangible assets are stated at cost (net of recoverable taxes) less accumulated amortization and impairment loss. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end and if necessary, changes in estimates are accounted for prospectively.

Computer software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Company are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use it
- there is an ability to use the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use the software are available, and

Notes to Standalone Financial Statements

for the year ended 31st March, 2021 (Contd.)

- the expenditure attributable to the software during its development can be reliably measured.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the Statement of Profit and Loss when the asset is derecognized.

Amortisation methods and periods

Intangible assets comprising of goodwill is amortized on a straight line basis over the useful life of five years which is estimated by the management.

Amortization on subsequent expenditure on intangible assets arising on account of capital improvement or other factors is provided for prospectively over the remaining useful life.

The estimated useful lives and residual values are reviewed on an annual basis and if necessary, changes in estimates are accounted for prospectively.

(f) Impairment of non financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognized impairment loss (except for goodwill) is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited to the carrying amount of the asset.

(g) Leases

(i) As a lessee

A lease is classified at the inception date as a finance lease or an operating lease. Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

(ii) As a lessor

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as

Notes to Standalone Financial Statements

for the year ended 31st March, 2021 (Contd.)

receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

(h) Inventories

Raw Materials, Stores and Spares and Packing Material are valued at lower of cost and net realizable value.

Work-in-Progress, Finished Goods and Stock-in-Trade are valued at lower of cost and net realizable value. Cost of Raw Materials, Stores & Spares and Packing Materials is determined using First in First out (FIFO) Method. Cost of Work-in-Progress and Finished Goods is determined on absorption costing method.

(i) Revenue recognition

(i) Revenue is recognized upon transfer of control of promised goods or services to Customers (i.e. when performance obligation is satisfied) for an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

Revenue is measured based on the transaction price, which is the consideration, adjusted for trade discounts such as price concessions, volume discounts, or any other price concessions as may be agreed with the customers at the time of sale. Revenues also excludes Goods and Services Tax (GST) or any other taxes collected from the Customers and net of returns and discounts.

(ii) In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract costs incurred determining the degree of completion of the performance obligation.

(iii) Interest income

Interest income, including income arising from other financial instruments measured at amortized cost, is recognized using the effective interest rate method.

(iv) Dividend income

Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

(j) Income Taxes

(i) Current income tax

The income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, if any.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting year. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred tax

Deferred income tax is recognized using the balance sheet approach. Deferred tax is recognized on temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the

Notes to Standalone Financial Statements

for the year ended 31st March, 2021 (Contd.)

initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(iii) Minimum Alternate Tax

MAT payable for a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available in the statement of profit and loss as deferred tax with a corresponding asset only to the extent that there is probable certainty that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The said asset is shown as 'MAT Credit Entitlement' under Deferred Tax. The Company reviews the same at each reporting date and writes down the asset to the extent the Company does not have the probable certainty that it will pay normal tax during the specified period.

(k) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Financial assets

Initial Recognition

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

(i) Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

Notes to Standalone Financial Statements

for the year ended 31st March, 2021 (Contd.)

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Debt instrument at FVTOCI

A 'debt instrument' is measured as at FVTOCI if both of the following criteria are met:

- the objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

(iv) Equity instruments measured at FVTOCI

All other equity investments are measured at fair value, with value changes recognized in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

(v) Cash and Cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Investments in subsidiaries, Associates and Joint Ventures

The Company has accounted for its subsidiaries, Associates and Joint Ventures at cost.

De-recognition

A financial asset is de-recognized only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognized.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL), simplified model approach for measurement and recognition of Impairment loss on Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income / expense in the statement of Profit and Loss.

Notes to Standalone Financial Statements

for the year ended 31st March, 2021 (Contd.)

Financial liabilities

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Initial recognition and measurement

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortized cost unless at initial recognition, they are classified as fair value through profit and loss.

Subsequent measurement

Financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the statement of profit and loss.

(i) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting year. They are recognized initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(ii) Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

(iii) Financial guarantee contracts

Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value and if not designated as at FVTPL, are subsequently measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount initially recognised less cumulative amount of income recognised.

De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

Embedded derivatives

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for

Notes to Standalone Financial Statements

for the year ended 31st March, 2021 (Contd.)

trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward currency contracts, full currency swap, options and interest rate swaps to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

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for the year ended 31st March, 2021 (Contd.)

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

(i) Fair value hedges

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

(ii) Cash flow hedges

The effective portion of changes in the fair value of the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in profit or loss. The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

(l) Convertible financial instrument

Convertible instruments are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible instruments, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible instrument based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

(m) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation.

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The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

- (a) defined benefit plans viz. gratuity,
- (b) defined contribution plans viz. provident fund.

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are disclosed as "Remeasurements of net defined benefit plans" under the head "Other Comprehensive Income" in the statement of changes in equity.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(vi) Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits.

(n) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation and a reliable estimate can be made of the amount of obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent

Notes to Standalone Financial Statements

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liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

(o) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the year in which they are incurred.

Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds.

(p) Segment Reporting - Identification of Segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Company's chief operating decision maker to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by geographic segments.

(q) Earnings per share

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

(r) Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks having the maturity of three months or less which are subject to insignificant risk of changes in value.

(s) Cash Flow Statement

Cash Flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

(t) Dividends

The Company recognises a liability to make dividend distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate

Notes to Standalone Financial Statements

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laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

(u) Significant accounting judgements, estimates and assumptions

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of impairment of non current assets, useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities and fair value measurement.

(i) Impairment of non - financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to disclosure of fair value of investment property recorded by the Company.

(ii) Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

(iii) Valuation of deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

(iv) Defined benefit plans

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using Projected Unit Credit method with actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

(v) Provisions and contingent liabilities

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take

Notes to Standalone Financial Statements

for the year ended 31st March, 2021 (Contd.)

place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

(vi) Fair value measurement

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

3 RECENT PRONOUNCEMENTS

"The Ministry of Corporate affairs ("MCA") through a notification dated March 24, 2021, amended Schedule III of the Companies Act, 2013 which will be applicable effective 1st April, 2021.

- Disclosure of shareholding of promoters in specified format.
- Disclosure of current maturities of Long term borrowings under the head short term borrowings
- Disclosure of ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development in specified format.
- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Financial Ratios to be disclosed along with explanation with respect to items included in numerator and denominator. Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.
- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The Company will evaluate the above and give effect as required by law."

Notes to Standalone Financial Statements

for the year ended 31st March, 2021 (Contd.)

4. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computer	Total
Gross Amount								
As at 1st April, 2019	444.61	1,351.30	3,001.13	108.88	137.10	27.01	62.28	5,132.31
Additions	-	56.55	365.20	21.33	-	5.83	5.09	454.00
Disposals/Transfer	-	-	-	-	-	-	-	-
As at 31st March, 2020	444.61	1,407.85	3,366.33	130.21	137.10	32.84	67.37	5,586.31
Additions	-	133.35	376.80	4.63	-	1.13	6.68	522.59
Disposals/Transfer	-	-	-	-	-	-	-	-
As at 31st March, 2021	444.61	1,541.20	3,743.13	134.84	137.10	33.97	74.05	6,108.90
Accumulated depreciation and impairment								
As at 1st April, 2019	-	141.94	688.94	31.18	46.89	12.63	31.90	953.48
Depreciation	-	62.08	226.92	13.52	22.05	5.57	14.18	344.32
Adjustments	-	-	-	-	-	-	-	-
As at 31st March, 2020	-	204.02	915.86	44.70	68.94	18.20	46.08	1,297.80
Depreciation	-	65.27	239.41	13.87	19.10	5.41	7.79	350.85
Adjustments	-	-	-	-	-	-	-	-
As at 31st March, 2021	-	269.29	1,155.27	58.57	88.04	23.61	53.87	1,648.65
Net Carrying Amount								
As at 31st March, 2020	444.61	1,203.83	2,450.47	85.51	68.16	14.64	21.29	4,288.51
As at 31st March, 2021	444.61	1,271.91	2,587.86	76.27	49.06	10.36	20.18	4,460.25

5. INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	Product Development Cost	Total
Gross Amount		
As At 1st April, 2019	14.13	14.13
Additions	-	-
Disposals	-	-
As At 31st March, 2020	14.13	14.13
Additions/Transfer	336.88	336.88
Disposals/Transfer	-	-
As at 31st March, 2021	351.01	351.01
Accumulated amortisation		
As At 1st April, 2019	4.60	4.60
Amortisation	2.91	2.91
Disposals	-	-
As At 31st March, 2020	7.51	7.51
Amortisation	59.43	59.43
Disposals/Transfer	-	-
As at 31st March, 2021	66.94	66.94
Net Book Value		
As At 31st March, 2020	6.62	6.62
As at 31st March, 2021	284.07	284.07

Notes to Standalone Financial Statements

for the year ended 31st March, 2021 (Contd.)

6. NON - CURRENT FINANCIAL ASSETS - INVESTMENT

(₹ in Lakhs)

Note No.	Particulars	Face Value per share (in ₹)	As at 31 st March, 2021	As at 31 st March, 2020
a)	Investments in Equity Instruments - Quoted - (at fair value through other comprehensive income (FVTOCI))			
	30 shares (31 st March, 2020: 30 shares) of Advent Computers Ltd.	10.00	-	-
	Sub - Total		-	-
b)	Investments in Equity Instruments - Unquoted - (at fair value through other comprehensive income (FVTOCI))			
	20,000 shares (31 st March, 2020: 20,000 shares) of Kapol Co-Op. Bank Ltd.	10.00	2.00	2.00
	3,500 shares (31 st March, 2020: 1,000 shares) of Saraswat Co-Op. Bank Ltd.	10.00	3.84	1.64
	500 shares (31 st March, 2020: 500 shares) of the New India Co-Op. Bank Ltd.	10.00	0.27	0.26
	NIL shares (31 st March, 2020: 25,000 shares) of Mandvi Co-Op. Bank Ltd.	10.00	-	2.50
	Less: Provision for impairment in value of investments		(2.00)	(4.50)
	Sub - Total		4.11	1.90
c)	Investments in Government securities (non-trade) - (at amortised cost)			
	7 years national savings certificate (lodged with collector of central excise and sales tax authority-Mumbai)		0.40	0.40
d)	Investments in Equity Instruments			
	Wholly owned subsidiary companies at cost: (Unquoted) - (at cost)			
	2,318,750 shares (31 st March, 2020: 2,318,750 shares) of Kopran (H.K.) Limited, Hong Kong	1 HK\$	100.06	100.06
	50,000 shares (31 st March, 2020: 50,000 shares) of Kopran Lifesciences Ltd.	10.00	5.00	5.00
	19,900,000 shares (31 st March, 2020: 19,900,000 shares) of Kopran Research Laboratories Limited.	10.00	15,769.25	15,706.75
	Sub - Total		15,874.31	15,811.81
	Total		15,878.82	15,814.11
	Aggregate amount of quoted Investments		0.24	0.24
	Market value of quoted investments		-	-
	Aggregate amount of unquoted Investments		15,878.96	15,816.46
	Aggregate amount of impairment in value of investments		2.00	4.50

Notes to Standalone Financial Statements

for the year ended 31st March, 2021 (Contd.)

7. NON - CURRENT FINANCIAL ASSETS - LOANS

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Unsecured, considered good		
Security deposits	291.30	288.30
Total	291.30	288.30

8. DEFERRED TAX ASSETS/ (LIABILITIES) (NET)

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Deferred tax liabilities (Gross)		
Relating to depreciation on fixed assets	470.63	463.61
Fair value of equity instruments through OCI	0.36	-
(a)	470.99	463.61
Deferred Tax Assets (Gross)		
Provision for gratuity	103.53	101.94
Provision for leave encashment	27.44	30.45
Provision for expected credit loss	8.99	10.36
Provision for bonus	5.63	5.13
Provision for export benefit obligation	5.18	4.74
Provision for impairment in value of investments	0.58	-
Fair value of equity instruments through OCI	-	0.07
(b)	151.35	152.69
MAT credit entitlement	88.20	434.48
(c)		
Net Deferred tax assets/(liabilities) - (b) + (c) - (a)	(231.44)	123.56

9. OTHER NON - CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
considered good		
Capital advances	83.10	49.36
Prepaid expenses	4.13	8.37
Total	87.23	57.73

Notes to Standalone Financial Statements

for the year ended 31st March, 2021 (Contd.)

10. INVENTORIES

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
(Valued at lower of cost and net realisable value)		
Raw materials {Includes stocks in transit ₹ 27.42 Lakhs (31 st March, 2020: ₹ 88.16 Lakhs)}	1,419.88	1,280.89
Work-in-progress	538.16	694.13
Finished goods	404.59	1,718.91
Stores and spares	22.40	80.62
Packing materials	365.23	342.57
Total	2,750.26	4,117.12

11. CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Unsecured, Considered Good		
Receivable from other parties	4,977.17	4,282.94
Receivable from related party - subsidiary - Kopran Research Laboratories Limited	0.07	0.22
Credit impaired	-	-
Less: Expected credit loss	(30.89)	(35.57)
Total	4,946.35	4,247.59

12. CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Balances with Banks		
In current accounts	19.48	18.54
In fixed deposit accounts (Maturity of less than 3 months)	11.53	-
Cash on hand	1.43	2.06
Total	32.44	20.60

13. CURRENT FINANCIAL ASSETS - BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Earmarked balances with banks		
Unpaid dividend account	11.52	-
Fixed deposits (Held as margin money or security against the guarantees)		
Maturity of less than 3 months	75.68	-
Maturity of more than 3 months & less than 12 months	202.76	94.48
Total	289.96	94.48

Notes to Standalone Financial Statements

for the year ended 31st March, 2021 (Contd.)

14. CURRENT FINANCIAL ASSETS - LOANS

(₹ in Lakhs)

Particulars	As at	
	31 st March, 2021	31 st March, 2020
Unsecured, considered good		
Loans to employees	36.19	79.82
Total	36.19	79.82

15. CURRENT FINANCIAL ASSETS - OTHERS

(₹ in Lakhs)

Particulars	As at	
	31 st March, 2021	31 st March, 2020
Foreign currency forward / option contracts	202.15	-
Interest receivable	6.92	5.32
Total	209.07	5.32

16. OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at	
	31 st March, 2021	31 st March, 2020
Prepaid Expenses	83.14	74.33
Balance with statutory / government authorities	2,704.33	2,653.67
Others	21.79	58.03
Total	2,809.26	2,786.03

17. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
	Number	Amount	Number	Amount
Authorised				
Equity Shares of ₹ 10 each	5,62,50,000	5,625.00	5,62,50,000	5,625.00
Preference Share of ₹ 10 each	1,37,50,000	1,375.00	1,37,50,000	1,375.00
Total	7,00,00,000	7,000.00	7,00,00,000	7,000.00
Issued				
Equity Shares of ₹ 10 each fully paid up	4,32,52,602	4,325.26	4,32,52,602	4,325.26
Subscribed and Paid up				
Equity Shares of ₹ 10 each fully paid up	4,32,50,606	4,325.06	4,32,52,602	4,325.26
Less: Calls in-Arrears (Other than Director's)	-	-	-	0.37
Add: Equity Shares forfeited (amount originally paid up)	1,996	0.10	-	-
Total	4,32,52,602	4,325.16	4,32,52,602	4,324.89

Notes to Standalone Financial Statements

for the year ended 31st March, 2021 (Contd.)

(i) Reconciliation of Number of Equity Shares

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
	Number of Shares	Number of Shares
Opening Balance	4,32,52,602	4,32,52,602
Add : Shares Issued during the year	-	-
Closing Balance	4,32,52,602	4,32,52,602

(ii) Rights, Preferences and Restrictions attaching to each class of shares Equity Shares having a face value of ₹10

As to voting

The Company has only one class of shares referred to as equity shares having a face value of ₹ 10. Each holder of the equity share is entitled to one vote per share.

As to distribution of dividends

The Shareholders are entitled to receive dividend in proportion to the amount of paid up equity shares held by them. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend which is recognised on approval by board of directors.

As to repayment of capital

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

(iii) Shares held by Holding / Ultimate Holding Company and / or their Subsidiaries / Associates

There is no Holding Company or Ultimate Holding Company of the Company. Accordingly, disclosures pertaining to shares of the Company held by held by holding company or its ultimate holding company including shares held by subsidiaries or associates of the holding company or the ultimate holding company is not applicable.

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

(₹ in Lakhs)

Name of Shareholder	As at 31 st March, 2021		As at 31 st March, 2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares of ₹ 10 each fully paid				
Panorama Finvest Pvt. Ltd.	38,00,000	8.79%	38,00,000	8.79%
Sarvamangal Mercantile Co. Ltd.	29,02,951	6.71%	29,02,951	6.71%
Oricon Enterprises Ltd.	59,61,758	13.78%	59,61,758	13.78%
Rajendra Somani	23,24,250	5.37%	23,24,250	5.37%

Notes to Standalone Financial Statements

for the year ended 31st March, 2021 (Contd.)

18. OTHER EQUITY

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Reserves and Surplus		
Capital Reserve	1,484.74	1,484.74
General Reserve	814.21	814.21
Securities Premium	12,256.37	12,256.20
Export Allowance Reserve	0.40	0.40
Retained Earnings	5,715.47	4,016.97
Sub - Total - A	20,271.19	18,572.53
Other Comprehensive Income (OCI)		
Equity Instruments through OCI	1.62	(0.18)
Remeasurements of net defined benefit plans	87.02	70.08
Sub - Total - B	88.64	69.89
Total - A + B	20,359.83	18,642.42

Note

Refer statement of changes in equity for details of movements in the balances of each items of Reserves and Surplus and OCI under the head "Other Equity" and the nature and purpose of each reserve.

19. NON - CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Secured		
Term Loans		
From Others - Vehicle loan	5.50	14.97
Inter corporate deposits		
Related Parties	-	497.97
Others	230.42	453.83
Total	235.92	966.77

Security, rate of interest and terms of repayment

a) Vehicle loans are secured by way of hypothecation of vehicles.

Rate of Interest - 9.71% p.a.

Terms of repayment are as under:

31.03.2022 - ₹ 9.91 Lakhs

31.03.2023 - ₹ 5.50 Lakhs

b) Inter-corporate deposits from related parties and other parties are unsecured.

Rate of Interest - 10.00% p.a.

Inter corporate deposits are repayable as under:

31.03.2023 - ₹ 230.42 Lakhs

Notes to Standalone Financial Statements

for the year ended 31st March, 2021 (Contd.)

20. NON - CURRENT LIABILITIES - PROVISIONS

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Gratuity	319.21	311.82
Leave encashment	66.83	76.11
Total	386.04	387.93

21. CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Secured, Repayable on demand		
From banks		
Cash credit / packing credit	1,064.65	1,239.69
Buyers credit	201.54	185.32
Unsecured, repayable on demand		
Loan from Director	59.50	319.50
Loan from Kopran Research Laboratories Limited	-	913.78
Total	1,325.69	2,658.29

Security and rate of interest

Cash credit / packing credit / buyers credit is secured by:

1st pari passu hypothecation charge on entire stocks and receivables of the Company both present and future.

2nd pari passu charge on entire fixed assets of the Company both present and future.

Corporate Guarantee of Subsidiary Company - Kopran Research Laboratories Limited and personal guarantee of director / promoter aggregating to ₹ 3,600.00 Lakhs.

Rate of Interest on cash credit - 9.05% p.a. to 13.10% p.a.

Rate of Interest on packing credit - Libor + 2.50% p.a.

Rate of Interest on buyers credit - Libor + 0.50% p.a to Libor + 1.50% p.a.

22. TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Due to micro and small enterprises (Refer Note No. 51)	22.75	133.31
Due to Others [including acceptances ₹ Nil (31 st March, 2020: ₹ 129.24 Lakhs)]	3,973.26	3,028.35
Total	3,996.01	3,161.66

Notes to Standalone Financial Statements

for the year ended 31st March, 2021 (Contd.)

23. CURRENT FINANCIAL LIABILITIES - OTHER

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Current maturities of long-term debt (for Security, rate of interest and terms of repayment refer Note No. 19(a) above)	9.91	946.50
Interest accrued	7.38	1.81
Unpaid Dividends	11.52	-
Security deposits	5.00	7.50
Foreign currency forward / option contracts	-	421.01
Other payables		
Creditors for capital goods	95.31	91.25
Employees payables	252.32	243.56
Creditors for expenses	733.16	456.64
Provision for expenses	32.28	56.20
Others	57.23	57.23
Total	1,204.11	2,281.70

24. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Advance from customers	207.52	164.14
Statutory liabilities	42.15	38.12
Other payables	17.81	16.27
Total	267.48	218.53

25. CURRENT LIABILITIES - PROVISIONS

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Gratuity	36.31	38.24
Leave encashment	27.39	28.47
Total	63.70	66.71

26. REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
Sale of products	21,742.55	17,375.76
Other operating revenues		
Scrap sales	24.87	20.85
Export Incentive	515.89	532.47
Total	22,283.31	17,929.08

Notes to Standalone Financial Statements

for the year ended 31st March, 2021 (Contd.)

27. OTHER INCOME

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
Dividend income		
Long - term investments	-	0.07
Interest Income		
On fixed deposit	7.15	5.56
Others	5.80	10.51
Liabilities written back (net)	4.26	0.36
Net gain on foreign currency transaction and translation	841.40	-
Financial guarantee obligation	62.50	62.50
Miscellaneous income	120.25	120.01
Total	1,041.36	199.01

28. COST OF MATERIAL CONSUMED

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
Raw material consumption		
Opening stock	1,280.89	1,423.25
Add: Purchases	8,997.30	9,202.58
	10,278.19	10,625.83
Less : Closing stock	1,419.88	1,280.89
Sub - Total	8,858.31	9,344.94
Packing materials consumption		
Opening stock	342.57	362.03
Add: Purchases	1,680.55	1,531.72
	2,023.12	1,893.75
Less : Closing stock	365.23	342.57
Sub - Total	1,657.89	1,551.18
Total	10,516.20	10,896.12

29. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
Opening Inventories		
Finished goods	1,718.91	262.90
Work in progress	694.13	416.80
	2,413.04	679.70
Closing Inventories		
Finished goods	404.59	1,718.91
Work in progress	538.16	694.13
	942.75	2,413.04
Total	1,470.29	(1,733.34)

Notes to Standalone Financial Statements

for the year ended 31st March, 2021 (Contd.)

30. EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
Salaries and Wages	1,604.73	1,733.18
Contribution to Provident and Other Funds	85.04	90.02
Staff welfare expenses	144.10	178.96
Total	1,833.87	2,002.16

31. FINANCE COSTS

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
Interest expense	286.80	430.47
Other borrowing cost	93.87	165.70
Total	380.67	596.17

32. OTHER EXPENSES

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020		
Stores and spares consumed	236.98	109.41		
Power and fuel	568.17	620.92		
Rent	244.82	240.36		
Repairs and maintenance				
Building	27.26	12.52		
Machinery	12.92	23.29		
Others	55.41	44.28		
Insurance	30.70	18.56		
Commission on sales	525.06	624.12		
Selling and distribution expenses	16.88	53.42		
Product Registration Charges	52.52	69.49		
Job work charges	500.63	538.04		
Packing, freight and forwarding	377.09	193.80		
Payments to the auditor (Refer Note No. 42)	9.04	8.51		
Housekeeping and office maintainance	64.66	72.52		
Printing and stationery	29.27	39.17		
Postage, telegram and telephone	24.83	30.51		
Travelling and conveyance	57.73	154.69		
Legal and professional fees	528.49	442.39		
Rates and taxes	29.08	35.85		
Security charges	36.73	35.35		
Directors' sitting fees	4.65	4.98		
Sundry balances written off	71.11	4.22		
Bad debts	72.55	9.24		
Add/(Less): Provision for Expected credit loss written back	(4.68)	67.87	23.07	32.31
Corporate Social Responsibility Expenses	44.41	1.00		
Net loss on foreign currency transaction and translation	-	24.86		
Loss on Sale of License	1.32	5.41		
Miscellaneous expenses	37.33	52.41		
Total	3,654.96	3,492.39		

Notes to Standalone Financial Statements

for the year ended 31st March, 2021 (Contd.)

33. CAPITAL COMMITMENTS & CONTINGENT LIABILITIES

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
a) Contingent liabilities		
Guarantees given by the company's bankers on behalf of the Company	332.55	308.78
Corporate guarantee given for loan taken by subsidiary (to the extent amount utilised)	2,950.65	4,420.22
Bills discounted with banks	446.19	2,394.49
Disputed tax Matters		
Excise duty demand disputed in appeal	0.44	98.53
Service tax demand disputed in appeal	507.95	513.99
Income tax demand disputed in appeal	207.56	207.56
Other claims / demands against company not acknowledged as debts		
a) Demand under Drug Price Control Order - 95 (DPCO - 95) demand disputed in appeal	591.34	591.34
b) Others	13.24	13.24

b) Supreme Court Judgement on computation of provident fund contribution

On February 28, 2019, the Honorable Supreme Court of India delivered a judgement in the case of 'Vivekananda Vidyamandir and Others Vs The Regional Provident Fund Commissioner (II) West Bengal' in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. The Employees' Provident Fund Organisation also issued a circular (Circular No. C-1/1(33)2019/Vivekananda Vidyamandir/284) dated March 20, 2019 in relation to aforesaid matter.

c) Capital Commitments	As at 31 st March, 2021	As at 31 st March, 2020
Estimated amounts of contracts remaining to be executed on capital account (net of advances) and not provided for	1.46	83.61

34. BASIC AND DILUTED EARNINGS PER SHARE [EPS] COMPUTED IN ACCORDANCE WITH IND AS 33 "EARNINGS PER SHARE"

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
Net Profit as per the Statement of Profit and Loss available for Equity Shareholders (₹ in Lakhs)	2,347.23	1,121.98
Number of Equity Shares outstanding (No's in Lakhs)	432.51	432.53
Weighted average number of Equity Shares for Basic and Diluted Earnings Per Share (No's in Lakhs)	432.51	432.53
Nominal value of equity shares ₹	10.00	10.00
Earnings Per Share:		
Basic (in ₹)	5.43	2.59
Diluted (in ₹)	5.43	2.59

Notes to Standalone Financial Statements

for the year ended 31st March, 2021 (Contd.)

35. CIF VALUE OF IMPORTS

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
Raw Materials	1,993.20	2,483.05
Traded Goods	1,219.92	835.66
Capital Goods	15.50	-
Total	3,228.62	3,318.71

36. EXPENDITURE IN FOREIGN CURRENCY

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
Commission	431.38	528.11
Registration Fees	46.50	53.31
Bank Interest on Buyers Credit	2.07	3.70
Export Promotion Expenses	-	12.82
Travelling Expenses	-	39.75
Research & Development Charges	-	0.14
Plant Inspection Charges	-	10.18
Professional Charges Others	-	1.24
Others	28.32	2.27
Total	508.27	651.52

37. EARNINGS IN FOREIGN CURRENCY

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
FOB Value of Exports	19,904.20	15,813.08
Total	19,904.20	15,813.08

38. DISCLOSURE PURSUANT TO IND AS 19 "EMPLOYEE BENEFITS"

a) Defined contribution plan

Contributions to defined Contribution plan, recognised are charged off for the year are as under:

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
Employer's contribution to Provident Fund	79.00	82.90
Employer's contribution to Labour Welfare Fund	0.21	0.22
Employer's contribution to ESIC	5.82	6.90
Total	85.04	90.02

b) Defined Benefit plan

The employees' gratuity scheme is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognised in the same manner.

Notes to Standalone Financial Statements

for the year ended 31st March, 2021 (Contd.)

i) Gratuity Benefits (unfunded)

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
Present value of the projected benefit obligation		
Present value of benefit obligation at the beginning of the year	350.06	319.91
Interest cost	23.87	24.89
Current service cost	24.33	20.68
Past service cost	-	-
Actuarial (gains) / losses on obligations - due to change in financial assumptions	(4.95)	31.82
Actuarial (gains) / losses on obligations - due to experience	(18.97)	(14.49)
Benefits paid directly by employer	(18.82)	(32.74)
Present value of benefit obligation at the end of the year	355.52	350.06
Change in the fair value of plan assets		
Fair value of Plan Assets at the beginning of the year	-	-
Interest income	-	-
Contributions by the employer	-	-
Expected contributions by the employees	-	-
Return on plan assets, excluding interest income	-	-
Fair value of plan assets at the end of the year	-	-
Amount recognised in the Balance Sheet		
Present value obligations at the end of the year	(355.52)	(350.06)
Fair value of plan assets at the end of the year	-	-
Funded status surplus / (deficit)	(355.52)	(350.06)
Net (liability) / asset recognised in the Balance Sheet	(355.52)	(350.06)
Net interest cost for the current year		
Present value benefit obligation at the beginning of the year	350.06	319.91
Fair value of plan assets at the beginning of the year	-	-
Net liability / (asset) at the beginning	350.06	319.91
Interest cost	23.87	24.89
Interest income	-	-
Interest cost for the current year	23.87	24.89
Expenses recognised in the statement of profit or loss for the current year		
Current service cost	24.33	20.68
Net interest cost	23.87	24.89
Past service cost	-	-
Expenses recognised	48.20	45.57

Notes to Standalone Financial Statements

for the year ended 31st March, 2021 (Contd.)

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Expenses recognized in the other comprehensive income (OCI) for current year		
Actuarial (gains) / losses on obligation for the year	(23.92)	17.33
Return on plan assets, excluding interest income		-
Change in asset ceiling		-
Net (income) / expense for the year recognized in OCI	(23.92)	17.33
Balance Sheet Reconciliation		
Opening net liability	350.06	319.91
Expenses recognised in the statement of profit or loss	48.20	45.57
Expenses recognised in OCI	(23.92)	17.33
Benefits paid directly by employer	(18.82)	(32.74)
Net liability / (asset) recognised in the Balance Sheet	355.52	350.07
Category of assets		
NIL, as Funding status in unfunded.	-	-
Maturity analysis of the benefit payments from the employer		
Projected benefits payable in future years from the date of reporting		
1st following year	36.31	38.24
2nd following year	11.21	5.31
3rd following year	8.24	17.96
4th following year	8.74	10.29
5th following year	23.56	8.68
Sum of years of 6 to 10	125.18	124.31
Sum of years of 11 and above	600.75	605.12

Sensitivity Analysis

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Notes to Standalone Financial Statements

for the year ended 31st March, 2021 (Contd.)

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
Projected benefit obligation on current assumptions	355.52	350.06
Delta effect of + 0.50% change in rate of discounting	(16.86)	(17.16)
Delta effect of - 0.50% change in rate of discounting	18.18	18.55
Delta effect of + 0.50% change in rate of salary increase	18.35	18.70
Delta effect of - 0.50% change in rate of salary increase	17.16	(17.45)
Delta effect of + 0.50% change in rate of employee turnover	2.04	1.89
Delta effect of - 0.50% change in rate of employee turnover	(2.16)	(2.02)
Assumptions used to determine the benefit obligations		
Rate of Discounting	6.96%	6.82%
Rate of salary increase	5.50%	5.50%
Rate of employee turnover	1.00%	1.00%
Mortality rate during employment	Indian Assured Lives Mortality (2006-08) Ultimate	

ii) Leave Encashment (unfunded)

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
Present value of the projected benefit obligation		
Present value benefit obligation at the beginning of the year	104.58	106.82
Interest cost	7.13	8.31
Current service cost	3.76	3.37
Actuarial (gains) / losses on obligations - due to change in financial assumptions	(1.24)	8.96
Actuarial (gains) / losses on obligations - due to experience	(10.79)	(9.49)
Benefits paid directly by employer	(9.23)	(13.40)
Present value of benefit obligation at the end of the year	94.22	104.58
Change in the Fair value of plan assets		
Fair value of plan assets at the beginning of the year	-	-
Interest Income	-	-
Contributions by the employer	-	-
Expected Contributions by the employees	-	-
Return on Plan assets, excluding interest income	-	-
Fair value of Plan Assets at the end of the year	-	-
Actuarial (gains) / losses recognised in the Statement of Profit or Loss for the current year		
Actuarial (gains) / losses on obligation for the year	(12.02)	(0.53)
Return on plan assets, excluding interest income	-	-
Sub- total	(12.02)	(0.53)
Actuarial (gains) / losses recognised in the Statement of Profit or Loss	(12.02)	(0.53)

Notes to Standalone Financial Statements

for the year ended 31st March, 2021 (Contd.)

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
Actual Return on Plan Assets		
Interest income	-	-
Return on plan assets, excluding interest income	-	-
Actual return on plan assets	-	-
Amount recognised in the Balance Sheet		
Present value obligations at the end of the year	(94.22)	(104.58)
Fair value of plan assets at the end of the year	-	-
Funded status surplus / (deficit)	(94.22)	(104.58)
Unrecognised past service cost at the end of the period	-	-
Net (liability) / asset recognised in the Balance Sheet	(94.22)	(104.58)
Net interest cost for the current year		
Present value benefit obligation at the beginning of the year	104.58	106.82
Fair value of plan assets at the beginning of the year	-	-
Net (liability) / asset at the beginning	104.58	106.82
Interest cost	7.13	8.31
Interest income	-	-
Net interest cost for the current year	7.13	8.31
Expenses recognised in the statement of profit or loss for the current year		
Current service cost	3.76	3.37
Net interest cost	7.13	8.31
Actuarial (gains) / losses	(12.02)	(0.53)
Expenses recognised in the statement of profit or loss	(1.13)	11.15
Balance Sheet reconciliation		
Opening net liability	104.58	106.82
Expenses recognised in the statement of profit or loss	(1.13)	11.15
Employers contribution	-	-
Benefits paid directly by employer	(9.23)	(13.40)
Net liability / (assets) recognised in the Balance Sheet	94.23	104.58
Category of Assets		
NIL, as Funding status in unfunded	-	-
Assumptions used to determine the benefit obligations		
Rate of Discounting	6.96%	6.82%
Rate of salary increase	5.50%	5.50%
Rate of employee turnover	1.00%	1.00%
Mortality rate during employment	Indian Assured Lives Mortality (2006-08) Ultimate	

Notes to Standalone Financial Statements

for the year ended 31st March, 2021 (Contd.)

39. DISCLOSURE OF RELATED PARTIES/RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24 "RELATED PARTY DISCLOSURES"

(a) Names of related parties where control exists:

Enterprises Owned or Controlled (Wholly Owned Subsidiaries)	Kopran Research Laboratories Limited
	Kopran (H. K.) Limited
	Kopran Life Science Ltd.
Key Management Personnel	Surendra Somani (Executive Vice Chairman)
	B. K. Soni (Chief Financial Officer)
	Sunil Sodhani (Company Secretary)
	Mr. Kamesh Venkata Bhamidipati
Enterprises Significantly influenced by KMP or their relative	Oricon Enterprises Limited
	Kopran Laboratories Limited
	S. K. Somani Memorial Charitable Trust

(b) The following transactions were carried out during the year with the related parties in the ordinary course of business:

(₹ in Lakhs)

Nature of Transaction	Enterprises Owned or Controlled (Wholly Owned Subsidiaries)		Key Management Personnel		Enterprises Significantly influenced by KMP or their relative		Total	
	2020-2021	2019-2020	2020-2021	2019-2020	2020-2021	2019-2020	2020-2021	2019-2020
Loan Received								
Oricon Enterprises Limited	-	-	-	-	-	250.00	-	250.00
Kopran Research Laboratories Limited	2,840.87	4,497.26	-	-	-	-	2,840.87	4,497.26
Surendra Somani (Executive Vice Chairman)	-	-	-	364.00	-	-	-	364.00
Total	2,840.87	4,497.26	-	364.00	-	250.00	2,840.87	5,111.26
Repayment of Loan taken								
Surendra Somani (Executive Vice Chairman)	-	-	260.00	76.00	-	-	260.00	76.00
Oricon Enterprises Limited	-	-	-	-	1,124.00	925.00	1,124.00	925.00
Kopran Research Laboratories Limited	3,754.65	3,483.34	-	-	-	-	3,754.65	3,483.34
Total	3,754.65	3,483.34	260.00	76.00	1,124.00	925.00	5,138.65	4,484.34
Purchases								
Kopran Research Laboratories Limited	873.92	486.26	-	-	-	-	873.92	486.26
Oricon Enterprises Limited	-	-	-	-	71.12	87.87	71.12	87.87
Total	873.92	486.26	-	-	71.12	87.87	945.04	574.13
Sales								
Kopran Research Laboratories Limited	1,242.93	860.93	-	-	-	-	1,242.93	860.93
Total	1,242.93	860.93	-	-	-	-	1,242.93	860.93
Interest Expense								
Oricon Enterprises Limited	-	-	-	-	43.75	167.30	43.75	167.30
Kopran Research Laboratories Limited	55.37	17.52	-	-	-	-	55.37	17.52
Total	55.37	17.52	-	-	43.75	167.30	99.12	184.82
Interest Received								
Kopran Laboratories Limited	-	-	-	-	4.20	3.84	4.20	3.84
Total	-	-	-	-	4.20	3.84	4.20	3.84

Notes to Standalone Financial Statements

for the year ended 31st March, 2021 (Contd.)

(₹ in Lakhs)

Nature of Transaction	Enterprises Owned or Controlled (Wholly Owned Subsidiaries)		Key Management Personnel		Enterprises Significantly influenced by KMP or their relative		Total	
	2020-2021	2019-2020	2020-2021	2019-2020	2020-2021	2019-2020	2020-2021	2019-2020
Loan Given								
Kopran Laboratories Limited	-	-	-	-	-	35.00	-	35.00
Kopran Research Laboratories Limited	10.30	-	-	-	-	-	10.30	-
Total	10.30	-	-	-	-	35.00	10.30	35.00
Repayment of Loan Given								
Kopran Laboratories Limited	-	-	-	-	35.00	-	35.00	-
Kopran Research Laboratories Limited	10.30	100.14	-	-	-	-	10.30	100.14
Total	10.30	100.14	-	-	35.00	-	45.30	100.14
Corporate Social Responsibility								
S K Somani Memorial Charitable Trust	-	-	-	-	24.51	-	24.51	-
Total	-	-	-	-	24.51	-	24.51	-
Miscellaneous Expenses								
Oricon Enterprises Limited (Rent paid)	-	-	-	-	240.00	240.00	240.00	240.00
Kopran Research Laboratories Limited	0.84	-	-	-	-	-	0.84	-
Kopran Laboratories Ltd	-	-	-	-	0.41	70.04	0.41	70.04
Kopran Life Sciences Ltd	0.01	0.05	-	-	-	-	0.01	0.05
Total	0.85	0.05	-	-	240.41	310.04	241.26	310.09
Remuneration								
Surendra Somani	-	-	125.65	148.46	-	-	125.65	148.46
B. K. Soni	-	-	27.24	20.06	-	-	27.24	20.06
Sunil Sodhani	-	-	16.46	14.86	-	-	16.46	14.86
Kamesh Venkata Bhamidipati	-	-	39.26	25.24	-	-	39.26	25.24
Total	-	-	208.60	208.62	-	-	208.60	208.62
Corporate Guarantee Given to								
Kopran Research Laboratories Limited	6,250.00	6,250.00	-	-	-	-	6,250.00	6,250.00
Total	6,250.00	6,250.00	-	-	-	-	6,250.00	6,250.00
Financial Guarantee Income								
Kopran Research Laboratories Limited	62.50	62.50	-	-	-	-	62.50	62.50
Total	62.50	62.50	-	-	-	-	62.50	62.50
Miscellaneous Income								
Kopran Research Laboratories Limited (Rent Lease)	120.00	120.00	-	-	-	-	120.00	120.00
Total	120.00	120.00	-	-	-	-	120.00	120.00
Investment in the shares of the Subsidiary Company								
Kopran Research Laboratories Limited	62.50	62.50	-	-	-	-	62.50	62.50
Total	62.50	62.50	-	-	-	-	62.50	62.50

Notes to Standalone Financial Statements

for the year ended 31st March, 2021 (Contd.)

(₹ in Lakhs)

Nature of Transaction	Enterprises Owned or Controlled (Wholly Owned Subsidiaries)		Key Management Personnel		Enterprises Significantly influenced by KMP or their relative		Total	
	2020-2021	2019-2020	2020-2021	2019-2020	2020-2021	2019-2020	2020-2021	2019-2020
Corporate Guarantee Given by								
Kopran Research Laboratories Limited	3,600.00	3,600.00	-	-	-	-	3,600.00	3,600.00
Total	3,600.00	3,600.00	-	-	-	-	3,600.00	3,600.00
Balance Payable as at March 21, 2021								
Kopran Research Laboratories Limited - Loan	-	913.78	-	-	-	-	-	913.78
Kopran Research Laboratories Limited - Trade Payable	182.02	228.81	-	-	-	-	182.02	228.81
Oricon Enterprises Limited - Trade Payable	-	-	-	-	470.92	321.83	470.92	321.83
Oricon Enterprises Limited - Loan	-	-	-	-	-	1,133.97	-	1,133.97
Surendra Somani - Loan	-	-	59.50	319.50	-	-	59.50	319.50
Total	182.02	1,142.59	59.50	319.50	470.92	1,455.80	712.44	2,917.89
Balance Receivable as at March 21, 2021								
Kopran Research Laboratories Limited - Trade Receivable	0.07	0.22	-	-	-	-	0.07	0.22
Kopran Laboratories Ltd - Loan	-	-	-	-	-	38.46	-	38.46
Total	0.07	0.22	-	-	-	38.46	0.07	38.68

The sitting fees paid to non - executive directors is ₹ 4.65 Lakhs (31st March, 2020 ₹ 4.98 Lakhs).

40. DISCLOSURES PURSUANT TO IND AS 108 "SEGMENT REPORTING"

The Company is primarily engaged in the business of manufacturing of "Formulation (Finished Dosage Form)" which in the context of Indian Accounting Standard (Ind AS) 108 on Operating Segments constitutes a single reportable segment.

In accordance with Ind AS 108 "Operating Segments", segment information has been given in the consolidated financial statements of the Company and therefore no separate disclosure on segment information is given in these financial statements.

41. DISCLOSURES PURSUANT TO IND AS 17 "LEASES"

a) The Company has taken office premises under operating lease.

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
Lease payments in respect of such lease recognised in statement of profit and loss account	240.00	240.00

Notes to Standalone Financial Statements

for the year ended 31st March, 2021 (Contd.)

b) Total of future minimum lease payments in respect of such non cancellable operating lease are as follows:

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
Not later than one year	180.00	180.00
Later than one year and not later than five years	-	-
Later than five years	-	-

42. PAYMENTS TO AUDITOR (EXCLUDING TAXES)

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
As Auditor		
Audit Fees	7.50	7.00
Tax Audit Fees	1.50	1.50
Out of Pocket expenses	0.04	0.01
Total	9.04	8.51

43. In the opinion of the board, current assets and loans and advances are approximately of the value stated if realised in the ordinary course of business. The provision for all known and determined liabilities are adequate and not in excess of the amounts reasonably required. The Balances of few creditors are subject to their confirmation.

44. CURRENT TAX AND DEFERRED TAX

a) Income Tax Expense recognised in statement of profit and loss

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
Current Tax		
Current Income Tax Charge	575.68	280.07
Adjustments in respect of prior years	-	-
Total	575.68	280.07
Deferred Tax		
In respect of current year	347.61	171.21
Total	347.61	171.21
Total tax expense recognised in Statement of Profit and Loss	923.29	451.28

b) Income Tax recognised in Other Comprehensive Income

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
Deferred Tax (Liabilities) / Assets		
Net changes in Fair value of investments in equity shares carried at fair value through OCI	(0.42)	-
Remeasurement of Defined Benefit Obligations	(6.97)	(0.47)
Total	(7.39)	(0.47)

Notes to Standalone Financial Statements

for the year ended 31st March, 2021 (Contd.)

c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
Net profit as per Statement of Profit and Loss Account (before tax) – (i)	3,270.54	1,573.28
Corporate Tax Rate as per Income tax Act, 1961 – (ii)	29.12	29.12
Tax on Accounting Profit – (iii) = (i) * (ii)	952.38	458.14
Tax difference on account of:		
Expenses not allowable under the Income tax Act, 1961	(30.41)	(24.54)
Timing Differences - Deferred tax assets	1.32	19.47
Rounding off tax differences	-	(1.79)
Income tax expense recognised in profit and loss	923.29	451.28

(d) Movement of Deferred Tax

Deferred tax assets / (liabilities) in relation to the year ended 31st March, 2021

Particulars	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
Relating to depreciation on fixed assets	(463.61)	(7.02)	-	(470.63)
Provision for gratuity	101.94	8.56	(6.97)	103.53
Provision for leave encashment	30.45	(3.01)	-	27.44
Provision for expected credit loss	10.36	(1.37)	-	8.99
Provision for Bonus	5.13	0.50	-	5.63
Provision for export benefit obligation	4.74	0.44	-	5.18
Provision for impairment in value of investments	-	0.58	-	0.58
Fair value of equity instruments through OCI	0.07	-	(0.43)	(0.36)
MAT Credit Entilement	434.48	(346.28)	-	88.20
Net Deferred Tax Assets/ (Liabilities)	123.56	(347.60)	(7.40)	(231.44)

Deferred tax assets / (liabilities) in relation to the year ended 31st March, 2020

Particulars	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
Relating to depreciation on fixed assets	(423.88)	(39.73)	-	(461.61)
Provision for gratuity	89.00	13.41	(0.47)	101.94
Provision for leave encashment	29.72	0.73	-	30.45
Provision for expected credit loss	3.48	6.88	-	10.36
Provision for Bonus	4.43	0.70	-	5.13
Provision for export benefit obligation	6.20	(1.46)	-	4.74
Fari value of equity instruments through OCI	0.07	-	-	0.07
MAT Credit Entilement	586.23	(151.75)	-	434.48
Net Deferred Tax Assets	295.25	(171.21)	(0.47)	125.56

"

Notes to Standalone Financial Statements

for the year ended 31st March, 2021 (Contd.)

45. DETAILS OF LOANS GIVEN, COVERED U/S 186 (4) OF THE COMPANIES ACT, 2013 AND DISCLOSURE PURSUANT TO CLAUSE 34 OF THE (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
a) Loans and advances in the nature of loans		
i) Loan to subsidiary: Kopran Research Laboratories Limited		
Loans given during the year	10.30	-
Balance as at the year end	-	-
Maximum amount outstanding at any time during the year	10.30	-
Purpose: Working Capital		
b) Investment in the shares of the Subsidiary Company		
Kopran Research Laboratories Limited during the year	62.50	62.50
For details of investments made in subsidiaries and balances as at 31 st March, 2021 refer Note No. 6(d)		
c) Corporate Guarantee given		
For loans sanctioned to Kopran Research Laboratories Limited	6,250.00	6,250.00

46. a) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- b) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
47. The figures for the comparative year / periods have been regrouped wherever necessary, to conform to the current year's classification.

48. FINANCIAL INSTRUMENTS

i. Financial Instruments by Category

(₹ in Lakhs)

Particulars	As at 31st March, 2021			As at 31st March, 2020		
	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI	Amortized Cost
Financial Assets						
Non - current financial assets - Investment	-	4.11	0.40	-	1.90	0.40
Non - current financial assets - Loans receivables	-	-	291.30	-	-	288.30
Current financial assets - Trade receivables	-	-	4,946.35	-	-	4,247.59
Current financial assets - Cash and cash equivalents	-	-	32.45	-	-	20.60
Current financial assets - Bank Balances other than cash and cash equivalents	-	-	289.96	-	-	94.48
Current financial assets - Loans receivables	-	-	36.19	-	-	79.82
Current financial assets - Others	-	-	6.92	-	-	5.32
Derivatives designated as hedges - Foreign currency forward contracts	202.15	-	-	-	-	-
Total	202.15	4.11	5,603.56	-	1.90	4,736.51

Notes to Standalone Financial Statements

for the year ended 31st March, 2021 (Contd.)

(₹ in Lakhs)

Particulars	As at 31st March, 2021			As at 31st March, 2020		
	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI	Amortized Cost
Financial Liabilities						
Non - current financial liabilities - Borrowings	-	-	235.92	-	-	966.77
Current financial liabilities - Borrowings	-	-	1,325.70	-	-	2,658.29
Current financial liabilities - Trade payables	-	-	3,996.02	-	-	3,161.66
Current financial liabilities - Other	-	-	1,204.10	-	-	1,860.69
Derivatives designated as hedges - Foreign currency forward contracts	-	-	-	421.01	-	-
Total	-	-	6,761.74	421.01	-	8,647.41

ii. Fair Value Measurements

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Company has established the fair value hierarchy that categorises the values into 3 levels. For the inputs to valuation techniques used to measure fair value of financial instruments refer Note No. 2.3(b)

Assets and liabilities measured at fair value:

(₹ in Lakhs)

Particulars	As at 31st March, 2021			As at 31st March, 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Financial Investments which are measured at FVTPL						
Investments	-	-	-	-	-	-
Financial Investments which are measured at FVTOCI						
Investments	4.11	-	-	1.90	-	-
Derivatives designated as hedges						
Foreign exchange forward contracts	-	202.15	-	-	-	-
Financial Assets which are measured at Amortized Cost						
Non - current financial assets - Investment	-	0.40	-	-	0.40	-
Non - current financial assets - Loans receivables	-	291.30	-	-	288.30	-
Current financial assets - Trade receivables	-	4,946.35	-	-	4,247.59	-
Current financial assets - Cash and cash equivalents	-	32.45	-	-	20.60	-
Current financial assets - Bank Balances other than cash and cash equivalents	-	289.96	-	-	94.48	-
Current financial assets - Loans receivables	-	36.19	-	-	79.82	-
Current financial assets - Others	-	6.92	-	-	5.32	-
Total Financial Assets	4.11	5,805.71	-	1.90	4,736.51	-

Notes to Standalone Financial Statements

for the year ended 31st March, 2021 (Contd.)

(₹ in Lakhs)

Particulars	As at 31 st March, 2021			As at 31 st March, 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Liabilities						
Financial Liabilities which are measured at FVTPL						
Non - current financial liabilities - Borrowings	-	-	-	-	-	-
Derivatives designated as hedges					421.01	
Foreign exchange forward contracts						
Financial Liabilities which are measured at Amortized Cost						
Non - current financial liabilities - Borrowings	-	235.92	-	-	966.77	-
Current financial liabilities - Borrowings	-	1,325.70	-	-	2,658.29	-
Current financial liabilities - Trade payables	-	3,996.02	-	-	3,161.66	-
Current financial liabilities - Other	-	1,204.10	-	-	1,860.69	-
Total Financial Liabilities	-	6,761.74	-	-	9,068.42	-

Notes:

There have been no transfers among Level 1, Level 2 and Level 3 during the period.

Financial Instrument measured at Amortised Cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Management does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

49. DISCLOSURES PURSUANT TO IND AS 1 "PRESENTATION OF FINANCIAL STATEMENTS" - CAPITAL MANAGEMENT

Capital includes issued equity capital and share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value.

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Non - current financial liabilities - Borrowings	235.92	966.77
Current financial liabilities - Borrowings	1,325.70	2,658.29
Current financial liabilities - Other - Current maturities of long - term debt	9.91	946.50
Less : cash and cash equivalents	(32.45)	(20.60)
Net debt (A)	1,539.09	4,550.96
Total Equity	24,684.99	22,967.32
Total Capital (B)	24,684.99	22,967.32
Capital and Net Debt C = (A) + (B)	26,224.08	27,518.28
Gearing Ratio (A) / (C)	5.87%	16.54%

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations. The company monitors capital using gearing ratio, which is total debt divided by total capital plus debt.

Notes to Standalone Financial Statements

for the year ended 31st March, 2021 (Contd.)

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March, 2021 and 31st March, 2020.

50. DISCLOSURES PURSUANT TO IND AS 107 "FINANCIAL INSTRUMENTS DISCLOSURES" - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company's business activities expose it to a variety of financial risks, namely market risks, credit risk and liquidity risk. The Company's senior management has the overall responsibility for the establishment and oversight of the Company's risk management framework. The top management is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

a) Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, borrowings, foreign currency receivables and payables.

i) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates to the Company's long-term debt as well as short-term obligations with floating interest rates.

In order to manage its interest rate risk the Company diversifies its portfolio in accordance with the limits set by the risk management policies.

As an estimation of the approximate impact of the interest rate risk, with respect to financial instruments, the Company has calculated the impact of a 1% change in interest rates. A 1% decrease in interest rates would have led to approximately an additional ₹ 15.12 Lakhs gain for year ended 31st March, 2021 (₹ 42.52 Lakhs gain for year ended 31st March, 2020) in Interest expenses. A 1% increase in interest rates would have led to an equal but opposite effect.

Interest rate sensitivity has been calculated assuming the borrowings outstanding at the reporting date have been outstanding for the entire reporting.

ii) Foreign Currency Risk

Foreign currency risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the borrowings, import of raw materials, exports of Formulations and the Company's net investments in foreign subsidiaries.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure.

Notes to Standalone Financial Statements

for the year ended 31st March, 2021 (Contd.)

The Company evaluates exchange rate exposure arising from foreign currency transactions. The Company follows established risk management policies. It uses derivative instruments like foreign currency forwards to hedge exposure to foreign currency risk.

Outstanding foreign currency exposure:

(₹ in Lakhs)

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
	Foreign Currency Amount	Amount in ₹	Foreign Currency Amount	Amount in ₹
Receivables				
USD	65.43	4,784.43	54.42	4,118.19
EURO	1.40	120.29	0.77	63.14
GBP	2.48	250.44	1.56	146.31
Foreign Currency Bank Account				
USD	0.02	1.46	0.02	1.42
Investments				
HKD	23.19	218.37	23.19	225.46
Payables				
USD	28.44	2,079.38	19.59	1,482.62
GBP	0.15	12.86	0.05	4.10
EURO	1.42	143.15	0.78	73.54
Borrowings				
USD	12.86	940.49	5.18	336.66

Foreign exchange risk sensitivity:

As an estimation of the approximate impact of the interest rate risk, with respect to financial instruments, the Company has calculated the impact of a 1% change in interest rates. A 1% decrease in interest rates would have led to approximately an additional ₹ 21.99 Lakhs net loss for year ended 31st March, 2020 (₹ 26.75 Lakhs net loss for year ended 31st March, 2020) in Interest expenses. A 1% increase in interest rates would have led to an equal but opposite effect.

Forward Exchange Contracts:

Derivatives for hedging currency, outstanding are as under.

(₹ in Lakhs)

Particulars	Purpose	Currency	As at 31 st March, 2021	As at 31 st March, 2020
Foreign currency forward contracts	Exports	USD	96.50	140.35
Forward contract value	Exports	₹	7,602.17	10,387.30
Foreign currency forward contracts	Imports	USD	-	-
Forward contract value	Imports	₹	-	-

iii) Other Price Risk

Other price risk

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. Other price risk arises from financial assets such as investments in equity instruments. The Company is exposed to price risk arising mainly from investments in equity instruments recognised at FVTOCI. As at 31st March, 2021, the carrying value of such equity instruments recognised at FVTOCI amounts to ₹ 4.11 Lakhs (31st March, 2020 ₹ 1.90 Lakhs). The details of such investments in equity instruments are given in Note 6(a) and 6(b).

Notes to Standalone Financial Statements

for the year ended 31st March, 2021 (Contd.)

The Company is mainly exposed to change in market rates of its investments in equity investments recognised as FVTOCI. A sensitivity analysis demonstrating the impact of change in market prices of these instruments from the prices existing as at the reporting date is given below:

If the equity prices had been higher / lower by 10% from the market prices existing as at 31st March, 2021, Other Comprehensive Income for the year ended 31st March, 2021 would increase / decrease by ₹ Nil Lakhs (31st March, 2020 ₹ Nil Lakhs) with a corresponding increase/decrease in Total Equity of the Company as at 31st March, 2020. 10% represents management's assessment of reasonably possible change in equity prices.

b) Credit Risk

Credit risk arises when a customer or counterparty does not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing / investing activities, including deposits with banks, foreign exchange transactions and financial guarantees. The Company has no significant concentration of credit risk with any counterparty.

Trade receivables:

Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/ modified.

Total Trade receivable as on 31st March, 2021 is ₹ 4,946.35 Lakhs (31st March, 2020 ₹ 4,247.59 Lakhs). The average credit period on sale of goods is 90 to 180 days. No interest is charged on trade receivables.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on exchange losses historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

The Company has used expected credit loss (ECL) model for assessing the impairment loss. For the purpose, the Company uses a provision matrix to compute the expected credit loss amount. The provision matrix takes into account external and internal risk factors and historical data of credit losses from various customers.

Movement in the expected credit loss allowance on trade receivables

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
Balance at the beginning of the year	35.57	12.50
Addition	-	23.07
Write - offs	(4.68)	-
Recoveries	-	-
Balance at the end of the year	30.89	35.57

c) Liquidity Risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions. The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows as at the Balance Sheet date.

Notes to Standalone Financial Statements

for the year ended 31st March, 2021 (Contd.)

Particulars	Carrying amount	Less than 12 months	More than 12 months	Total
As at 31st March, 2021				
Non - current financial liabilities - Borrowings	235.92	-	235.92	235.92
Current financial liabilities - Borrowings	1,325.70	1,325.70	-	1,325.70
Current financial liabilities - Trade payables	3,996.02	3,996.02	-	3,996.02
Current financial liabilities - Other	1,204.10	1,204.10	-	1,204.10
As at 31st March, 2020				
Non - current financial liabilities - Borrowings	966.77	-	966.77	966.77
Current financial liabilities - Borrowings	2,658.29	2,658.29	-	2,658.29
Current financial liabilities - Trade payables	3,161.66	3,161.66	-	3,161.66
Current financial liabilities - Other	2,281.70	2,281.70	-	2,281.70

51. MICRO, SMALL AND MEDIUM ENTERPRISES

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
(a) The principal amount remaining unpaid to any supplier at the end of each accounting year.	22.75	133.31
(b) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year.	-	-
(c) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day.	-	-
(d) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
(e) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Dues to micro, small and medium enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.

52. CORPORATE SOCIAL RESPONSIBILITY

As per section 135 of the Companies Act, 2013, amount required to be spent by the Company during the year ended 31st March, 2021 and 2020 is ₹ 25.45 Lakhs and ₹ 20.61 Lakhs, respectively, computed at 2% of its average net profit for the immediately preceding three financial years, on Corporate Social Responsibility (CSR). The Company incurred an amount of ₹ 44.41 Lakhs and ₹ 1.00 Lakhs during the year ended 31st March, 2021 and 2020, respectively, towards CSR expenditure for purposes other than construction / acquisition of any asset.

Notes to Standalone Financial Statements

for the year ended 31st March, 2021 (Contd.)

53. DISAGGREGATION OF REVENUE

The operations of the Company are limited to only one segment viz. pharmaceuticals and related products. Revenue from contract with customers is from sale of manufactured goods and rendering of research services. Sale of goods are made at a point in time and revenue is recognised upon satisfaction of the performance obligations which is typically upon dispatch / delivery. The Company has a credit evaluation policy based on which the credit limits for the trade receivables are established. There is no significant financing component as the credit period provided by the Company is not significant.

Primary Geographical Markets in respect of revenue from sale of products as recognised in the Statement of Profit and Loss:

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
India	1,323.20	1,256.61
South Africa	6,313.24	7,762.45
Ethiopia	6,111.29	2,927.31
United Kingdom	1,398.41	573.33
Tanzania	1,854.12	504.19
Zambia	480.38	1,685.67
Rest of World	4,261.91	2,666.20
Total	21,742.55	17,375.76

Contract balances

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Trade Receivables	4,946.35	4,247.59

The average credit period on sale of goods is 90 to 180 days. No interest is charged on trade receivables.

Reconciliation of revenue from sale of products as recognised in the Statement of Profit and Loss with the contracted price:

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
Revenue as per contracted price	21,752.02	17,383.57
Less:		
Sales Return	8.35	7.81
Discount	1.12	-
Revenue as per the Statement of Profit and Loss	21,742.55	17,375.76

Disaggregated revenue recognised in the Statement of Profit and Loss for sale of products:

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
Tablet / Capsules / Liquids	20,419.35	16,487.66
Active Pharmaceutical Ingredients	1,241.87	852.37
Others	81.32	35.73
Total	21,742.55	17,375.76

Information about major customers:

More than 10% of the Revenues is from two customers aggregating to 5,934.43 Lakhs representing approximately 27.29% of the Company's revenue from operations from sale of products, for the year ended 31st March, 2021.

Notes to Standalone Financial Statements

for the year ended 31st March, 2021 (Contd.)

More than 10% of the Revenues is from two customers aggregating to ₹ 6,145.28 Lakhs representing approximately 35.37% of the Company's revenue from operations from sale of products, for the year ended 31st March, 2020.

- 54.** The Code on Social Security, 2020 (Code) relating to employee benefits during employment and post-employment benefits has received Presidential assent on 28th September 2020. The Code has been published in the Gazette of India. However, the date on which the Code comes into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
- 55.** The Company has taken into account all the possible impacts of COVID-19 in preparation of these standalone financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition and impact on leases. The Company has carried out this assessment based on available internal and external sources of information up to the date of approval of these standalone financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the standalone financial statements may differ from that estimated as at the date of approval of these standalone financial statements owing to the nature and duration of COVID-19.

As per our report of even date

For **Khandelwal Jain & Co**
Chartered Accountants
Firm Registration No: - 105049W

S. S. SHAH
Partner
Membership No.: 033632

Place : Mumbai
Date : 27th May, 2021

For and on behalf of the Board of Directors

SURENDRA SOMANI
Executive Vice Chairman
DIN: 00600860

B. K. SONI
Chief Financial Officer

SUSHEEL SOMANI
Director
DIN: 00601727

SUNIL SODHANI
Company Secretary

Independent Auditor's Report

To The Members of **Kopran Limited**

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of Kopran Limited (hereinafter referred to as "the Holding Company") and its subsidiaries listed in Annexure I (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries referred to in 'Other Matters' section herein below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2021, its consolidated profit including other comprehensive income, its consolidated cash flows and the consolidated changes in equity for the year then ended.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the 'Auditor's Responsibilities for the Audit of the consolidated financial statements' section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in the 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

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

We have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, the description of audit procedures performed by us and by other auditors, of components not audited by us, as reported and communicated by them and furnished to us by the management, to address the matter, is provided in the above context.

Sr. No.	Key Audit Matter	How scope of the audit addressed the key audit matter
1	Evaluation of Provision and Contingent Liabilities	
	As at the Balance Sheet date, the Company has significant open litigation and other contingent liabilities as disclosed in note no. 36(a). The assessment of the existence of the present legal or constructive obligation, analysis of the probability or possibility of the related payment require the management to make judgement and estimates in relation to the issues of each matter.	We have reviewed and held discussions with the management to understand their processes to identify new possible obligations and changes in existing obligations for compliance with the requirements of Ind AS 37 on Provisions, Contingent Liabilities and Contingent Assets.

Independent Auditor's Report (Contd.)

Sr. No.	Key Audit Matter	How scope of the audit addressed the key audit matter
	<p>The management with the help of opinion and advise of its experts have made such judgements and estimates relating to the likelihood of an obligation arising and whether there is a need to recognise a provision or disclose a contingent liability.</p> <p>Due to the level of judgement relating to recognition, valuation and presentation of provision and contingent liabilities, this is considered to be a key audit matter.</p>	<p>We have also discussed with the management significant changes from prior periods and obtained a detailed understanding of these items and assumptions applied. We have held meetings with the management and key legal personnel responsible for handling legal matters.</p> <p>In addition, we have reviewed:</p> <ul style="list-style-type: none"> ● the details of the proceedings before the relevant authorities including communication from the advocates / experts; ● legal advises / opinions obtained by the management, if any, from experts in the field of law on the legal cases; ● status of each of the material matters as on the date of the balance sheet. <p>We have assessed the appropriateness of provisioning based on assumptions made by the management and the disclosures and presentation of the significant contingent liabilities in the consolidated financial statements.</p>
2	<p>Valuation of inventory:</p> <p>Inventory comprises of Raw Materials, Finished Goods, Stock in process and Stores and Spares. There is an inherent risk around the accuracy of the valuation of the closing stocks.</p> <p>Inventories are valued at lower of cost and net realisable value. These involve significant management judgement to determine the obsolete or slow moving items of inventory and to evaluate the realisable values. Further, Amoxicillin Trihydrate is the main raw material for the Company, which is partly imported, and is subject to high price fluctuation risk as well as foreign currency risk</p> <p>The volatility in the prices of Amoxicillin Trihydrate may significantly impact the valuation of not only Raw material but also other items of inventory.</p> <p>In determining the net realisable value, the management uses data of sales of finished good available which is a management estimate.</p> <p>We have considered this as a key audit matter due to the significance in the amount of inventory and volatility in the prices of Amoxicillin Trihydrate.</p>	<p>We have reviewed the stock records and held discussions with the management with regard to determination of slow moving and obsolete items and valuation of realisable values of such items. We verified arithmetical accuracy of valuation records / reports.</p> <p>For a sample of inventory items we have verified that the First in First out (FIFO) Method for valuation in case of inventory is appropriate.</p> <p>We have reviewed the price movement of Amoxicillin Trihydrate with respect to cost to the Company.</p> <p>Compared such prices with the recent selling prices. Compared the value of Finished Goods with the last selling prices of the respective product to determine the basis of valuation adopted</p>

Independent Auditor's Report (Contd.)

Sr. No.	Key Audit Matter	How scope of the audit addressed the key audit matter
3	Estimated allowance of trade receivables:	
	<p>The Trade receivables forms a significant part of the Group's total assets. The estimated allowance of trade receivables is identified as key audit matter due to the use of significant judgement and estimates with respect to the recoverability of overdue trade receivables. As detailed in note no. 54(b) of financial statements, the management reviews and assesses the recoverability of the carrying value of all overdue trade receivables individually by considering the credit history including default or delay in payments, settlement records and subsequent settlements.</p> <p>Allowance for doubtful debts will be provided for the amount of trade receivables that are considered as irrecoverable.</p>	<p>Our audit procedures in relation to the estimated allowance of trade receivables included:</p> <ul style="list-style-type: none"> ● Understanding how allowance for doubtful debts is estimated by the management; ● Testing the subsequent settlements of trade receivables, on a sample basis, to the source documents including bank statements and bank-in slips/ remittance advices. ● Discussing with the management and evaluating the basis of trade debtors that are overdue and without/ with little settlements subsequent to the end of the reporting period identified by the management and their assessment on the recoverability of overdue trade receivables.

Information Other than the consolidated financial statements and Auditor's Report thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. When we read the annual report, if based on the work we have performed, 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 Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the companies included in the Group.

Independent Auditor's Report (Contd.)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the entity has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in 'Other Matters' paragraph below.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in the 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Independent Auditor's Report (Contd.)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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.

Other Matters

We did not audit the financial statements/financial information of four subsidiaries, whose financial statements / financial information, before consolidated adjustments, reflect total assets of ₹ 29,397.36 Lakhs as at 31st March, 2021, total revenues of ₹ 30,022.63 Lakhs, total comprehensive income (comprising of profit and other comprehensive income) of ₹ 3,537.78 Lakhs and net cash flows amounting to ₹ 1.67 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

- A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements of the subsidiaries, as noted in the 'Other Matters' paragraph above:
 - i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2021 on the consolidated financial position of the Group. Refer Note 36(a) to the consolidated financial statements.
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting statements, for material foreseeable losses, if any, on long-term contracts including derivative

Independent Auditor's Report (Contd.)

contracts. Refer Notes 50(a) to the consolidated financial statements in respect of such items as it relates to the Group.

- iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India. Refer Notes 50(b) to the consolidated financial statements in respect of such items as it relates to the Group.
- iv. The disclosures in the consolidated financial statements regarding holdings as well as dealing in specified banks notes during the period from 8th November, 2016 to 30th December, 2016 have not been made since they do not pertain to the financial year ended 31st March, 2021.

- B. With respect to the matter to be included in the Auditors' Report in accordance with the requirements of Section 197(16) of the Act:

In our opinion and according to the information and explanation given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiaries which are incorporated in India, to their directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiaries which are incorporated in India, is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the act which are required to be commented upon by us.

For Khandelwal Jain & Co.,
Chartered Accountants,
Firm Registration No.: 105049W

(S. S. Shah)
Partner
Membership No.: 033632
UDIN: 21033632AAAAABY3679

Place : Mumbai
Date : 27th May, 2021

ANNEXURE I: LIST OF ENTITIES CONSOLIDATED AS AT 31ST MARCH, 2021

Sr. No.	Name of the subsidiary
1	Kopran Research Laboratories Limited
2	Kopran Lifesciences Limited
3	Kopran (H. K) Limited
4	Kopran (UK) Limited

Annexure A to the Independent Auditor's Report

(Referred to in paragraph A(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of Kopran Limited on the consolidated financial statements for the year ended 31st March, 2021)

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

In conjunction with our audit of the consolidated financial statements of **Kopran Limited** (hereinafter referred to as "the Holding Company") as of and for the year ended 31st March, 2021, we have audited the internal financial controls over financial reporting with reference to consolidated financial statements of the Holding Company and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding company and respective subsidiaries, which are incorporated in India, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's and its subsidiary companies', which are companies incorporated in India, internal financial controls over financial reporting with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing both, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013 ("the Act"), to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we and the statutory auditors of the subsidiaries incorporated in India, have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial control system over financial reporting with reference to these consolidated financial statements of the Holding Company and its subsidiaries which are incorporated in India.

Meaning of Internal Financial Controls with reference to consolidated Financial Statements

A company's internal financial control with reference to the consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation

Annexure A to the Independent Auditors' Report (Contd.)

of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting with reference to these consolidated financial statements:

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors, as referred to in Other Matters paragraph below, the Holding Company and its subsidiaries, which are companies incorporated in India have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at 31st March, 2021, based on the internal financial control over financial reporting criteria established by the Holding Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters:

Our report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company, in so far as it relates to separate financial statement of 2 subsidiaries, which are companies incorporated in India, is based on the respective reports of the auditors of such subsidiaries incorporated in India.

For Khandelwal Jain & Co.,
Chartered Accountants,
Firm Registration No.: 105049W

(S. S. Shah)
Partner
Membership No.: 033632
UDIN: 21033632AAAAABY3679

Place : Mumbai
Date : 27th May, 2021

Consolidated Balance Sheet

As at 31st March, 2021

(₹ in Lakhs)

Particulars	Notes No.	As at 31 st March, 2021	As at 31 st March, 2020
ASSETS			
1. Non - current assets			
Property, Plant and Equipment	4	10,927.04	11,097.25
Capital work-in-progress		3,708.73	2,186.69
Goodwill		0.58	0.58
Intangible assets	5	291.85	17.38
Intangible assets under development		580.17	837.26
Financial assets			
Investments	6	4.51	2.30
Loans	7	379.81	357.23
Deferred tax assets (net)	8	-	123.56
Other non - current assets	9	350.67	262.31
Total non - current assets		16,243.36	14,884.56
2. Current assets			
Inventories	10	10,000.36	8,849.66
Financial assets			
Trade receivables	11	12,007.85	9,281.12
Cash and cash equivalents	12	93.53	83.45
Bank balances other than cash and cash equivalents above	13	596.28	391.16
Loans	14	46.93	87.45
Other financial assets	15	331.76	5.32
Current tax assets (net)	16	38.04	72.38
Other current assets	17	4,580.17	3,489.68
Total current assets		27,694.92	22,260.22
Total Assets		43,938.28	37,144.78
EQUITY AND LIABILITIES			
Equity			
Equity share capital	18	4,325.16	4,324.89
Other equity	19	20,177.88	14,643.12
Total Equity		24,503.04	18,968.01
LIABILITIES			
1. Non - current liabilities			
Financial liabilities			
Borrowings	20	2,121.22	3,182.77
Provisions	21	746.84	719.97
Deferred tax liabilities (net)	22	498.75	268.69
Total non - current liabilities		3,366.81	4,171.43
2. Current liabilities			
Financial liabilities			
Borrowings	23	4,308.27	4,623.42
Trade payables			
a) total outstanding dues of micro enterprises and small enterprises	24	127.26	133.31
b) total outstanding dues of creditors other than micro enterprises and small enterprises	24	8,464.21	5,341.00
Other financial liabilities	25	2,547.82	3,060.08
Other current liabilities	26	337.19	756.71
Provisions	27	72.46	72.37
Current tax liabilities (net)	28	211.22	18.45
Total current liabilities		16,068.43	14,005.34
Total Equity and Liabilities		43,938.28	37,144.78
Corporate Information	1		
Significant Accounting Policies	2		
Notes forming part of the Consolidated Financial Statements	3 to 59		

As per our report of even date

For **Khandelwal Jain & Co**
Chartered Accountants
Firm Registration No: - 105049W

S. S. SHAH
Partner
Membership No.: 033632

Place : Mumbai
Date : 27th May, 2021

For and on behalf of the Board of Directors

SURENDRA SOMANI
Executive Vice Chairman
DIN: 00600860

B. K. SONI
Chief Financial Officer

SUSHEEL SOMANI
Director
DIN: 00601727

SUNIL SODHANI
Company Secretary

Consolidated Statement of Profit and Loss

For the Year Ended 31st March, 2021

(₹ in Lakhs)

Particulars	Note No.	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
INCOME			
Revenue from operations	29	49,181.35	35,949.94
Other income	30	1,798.68	63.07
Total Income		50,980.03	36,013.01
EXPENSES			
Cost of materials consumed	31	26,544.79	22,305.58
Purchases of stock-in-trade		2,082.28	977.51
Changes in inventories of finished goods and work-in-progress	32	1,552.20	(2,281.18)
Employee benefits expense	33	3,715.66	3,685.21
Finance costs	34	623.88	891.17
Depreciation and amortization expense	4 & 5	1,019.18	957.69
Other expenses	35	7,108.44	6,593.25
Total Expenses		42,646.43	33,129.23
Profit before exceptional items and tax		8,333.60	2,883.78
Exceptional items (net)	60	-	(55.42)
Profit before tax		8,333.60	2,828.36
Tax Expense	48		
(1) Current Tax		1,830.37	522.33
(2) Deferred Tax		342.61	183.63
(3) Taxation adjustment of earlier years		-	20.38
Total tax expense		2,172.98	726.34
Profit for the Year		6,160.62	2,102.02
Other Comprehensive Income for the Year			
(i) Items that will not be reclassified subsequently to profit or loss			
a) Net changes in Fair value of investments in equity shares carried at fair value through OCI [(expenses) / income]		2.22	-
Income tax effect on Net changes in Fair value of investments in equity shares carried at fair value through OCI [credit / (charge)]		(0.42)	-
b) Remeasurement of defined employee benefit plans [(expenses) / write back]		38.02	(1.92)
Income tax effect on Remeasurement of defined employee benefit plans [credit / (charge)]		(10.58)	(0.47)
ii) Items that will be reclassified to profit or loss			
a) Exchange difference in translating the financial statements of foreign operation		(6.47)	20.82
b) Income tax relating to items that will be reclassified to profit or loss		-	-
Total Other Comprehensive Income for the year		22.77	18.43
Total Comprehensive Income For The Year		6,183.39	2,120.45
Profit for the year attributable to			
Owner of the Company		6,160.62	2,102.02
Non - Controlling Interest		-	-
Other Comprehensive Income for the year attributable to			
Owner of the Company		22.77	18.43
Non - Controlling Interest		-	-
Total Other Comprehensive Income for the year attributable to			
Owner of the Company		6,183.39	2,120.45
Non - Controlling Interest		-	-
Earnings per equity share (₹)			
Basic and Diluted-Par value of ₹ 10/- per share	37	14.24	4.86
Corporate Information			
Significant Accounting Policies	1		
Notes forming part of the Consolidated Financial Statements	2		
	3 to 59		

As per our report of even date

For **Khandelwal Jain & Co**
Chartered Accountants
Firm Registration No: - 105049W

S. S. SHAH
Partner
Membership No.: 033632

Place : Mumbai
Date : 27th May, 2021

For and on behalf of the Board of Directors

SURENDRA SOMANI
Executive Vice Chairman
DIN: 00600860

B. K. SONI
Chief Financial Officer

SUSHEEL SOMANI
Director
DIN: 00601727

SUNIL SODHANI
Company Secretary

Consolidated Statement of Changes in Equity

for the year ended 31st March, 2021

A) EQUITY SHARE CAPITAL

Particulars	Amount
As at 31st March, 2019	4,324.89
Changes in equity share capital	-
As at 31st March, 2020	4,324.89
Changes in equity share capital	
Add: Calls in arrears	0.37
Less: Forfeited Equity Shares	(0.20)
As at 31st March, 2021	
Fully paid up equity share capital	4,325.06
Add: Forfeited Equity Shares	0.10
Total Equity Share Capital	4,325.16

B) OTHER EQUITY

Particulars	Reserve and Surplus				Other Comprehensive Income			Total	
	Capital Reserve	General Reserve	Securities Premium	Export allowance reserve	Retained Earnings	Equity Instruments through OCI	Foreign exchange fluctuation reserve		Remeasurements of net defined benefit plans
As at 01st April, 2019	1,484.74	814.21	12,226.95	0.40	(2,170.70)	(0.18)	104.96	62.30	12,522.68
Profit for the year	-	-	-	-	2,102.02	-	20.82	-	2,122.84
Other comprehensive income for the year	-	-	-	-	-	-	-	(2.39)	(2.39)
As at 31st March, 2020	1,484.74	814.21	12,226.95	0.40	(68.68)	(0.18)	125.78	59.91	14,643.12
Profit for the year	-	-	-	-	6,160.60	-	(6.48)	-	6,154.12
Dividend Paid	-	-	-	-	(648.77)	-	-	-	(648.77)
Securities Premium Received	-	-	0.17	-	-	-	-	-	0.17
Other comprehensive income for the year	-	-	-	-	-	1.80	-	27.43	29.23
As at 31st March, 2021	1,484.74	814.21	12,227.12	0.40	5,443.15	1.62	119.30	87.34	20,177.88

Consolidated Statement of Changes in Equity

for the year ended 31st March, 2021 (Contd.)

The Description of the nature and purpose of each reserve within equity is as follows:

a) Foreign Currency Translation Reserve:

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. ₹) are recognised directly to retained earnings and accumulated in foreign currency translation reserve.

b) Capital Reserve:

Capital Reserves are mainly the reserves created by way of forfeiting the deposits received against the share warrants issued in the earlier years and the merger of 'Kopran Pharmaceuticals Ltd.' with the Company, pursuant to the Scheme of Arrangement and Amalgamation sanctioned by the Hon'ble High Court of Judicature at Bombay in the financial year 2004-05.

c) General Reserve:

General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

d) Securities Premium:

Securities premium reserve is credited when shares are issued at premium. It is utilised in accordance with the provisions of the Act, to issue bonus shares, to provide for premium on redemption of shares or debentures, write-off equity related expenses like underwriting costs, etc

e) Retained Earnings:

Retained earnings are the profits that the Company has earned till date less any transfer to General Reserve, dividends or other distributions paid to the shareholders

f) Equity Instruments through OCI:

This represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income, under an irrevocable option, net of amounts reclassified to retained earnings when such assets are disposed off.

Corporate Information

Significant Accounting Policies

Notes forming part of the Consolidated Financial Statements

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As per our report of even date

For **Khandelwal Jain & Co**

Chartered Accountants

Firm Registration No.: - 105049W

S. S. SHAH

Partner

Membership No.: 033632

Place : Mumbai

Date : 27th May, 2021

For and on behalf of the Board of Directors

SURENDRA SOMANI

Executive Vice Chairman

DIN: 00600860

B. K. SONI

Chief Financial Officer

SUSHEEL SOMANI

Director

DIN: 00601727

SUNIL SODHANI

Company Secretary

Consolidated Statement of Cash Flows

for the Year Ended 31st March, 2021

(₹ in Lakhs)

Particulars		Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
Cash flows from operating activities			
Profit before exceptional items and tax		8,333.60	2,883.78
Adjustments for:			
Depreciation and Amortisation Expense		1,019.18	957.69
Amortisation of premium on operating lease		1.55	1.55
Dividend income		-	(0.07)
Finance cost		623.88	891.17
Interest income		(29.33)	(45.91)
Unrealised foreign exchange (gain) / loss (net)		(112.67)	263.02
Loss on sale of Fixed Assets		6.53	
Reconciliation Difference in Equity Share Capital			
Provision / write off for expected credit loss / trade receivables / advances (net)		139.19	96.57
Liabilities written back (net)		(4.26)	(0.62)
Adjustment to security deposits		-	-
Operating profit before working capital changes		9,977.67	5,047.18
Movements in working capital			
Increase in inventories		(1,150.70)	(1,505.04)
Decrease / (increase) in trade receivables		(2,710.91)	(474.97)
Increase in Loans receivables		11.94	192.05
Increase in other current / non-current assets		(1,157.39)	(23.00)
Increase / (Decrease) in trade payables		3,140.98	306.83
Increase in provisions		64.98	77.37
(Decrease) / Increase in other financial liabilities		(152.18)	329.80
(Decrease) / Increase in other current liabilities		(419.52)	(100.87)
Effects of exchange fluctuation reserve		(6.47)	20.82
Cash generated from operations		7,598.39	3,870.17
Direct taxes paid (Net of refunds)		(1,603.26)	(714.57)
Cash flow before exceptional items		5,995.13	3,155.60
Payments for exceptional items		-	(55.42)
Net cash flow from operating activities	(A)	5,995.13	3,100.18
Cash flows (used in) / from investing activities			
Purchase of fixed assets, including capital work-in-progress		(2,361.91)	(1,283.01)
Purchase of intangibles including Intangible assets under development		(79.50)	(122.29)
Proceeds from sale of fixed assets		46.50	-
(Decrease) / Increase in Creditors for capital goods		457.51	(316.86)
Decrease in Capital Advance		(88.29)	36.90
Bank Balances Other than Cash and Cash Equivalents above		(117.92)	(36.68)
Decrease / (increase) in other financial assets		(326.44)	424.24

Consolidated Statement of Cash Flows

for the Year Ended 31st March, 2021 (Contd.)

(₹ in Lakhs)

Particulars		Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
Interest Income		29.33	45.91
Dividend Income		-	0.07
Net cash flow used in investing activities	(B)	(2,440.72)	(1,251.72)
Cash flows (used in) / from financing activities			
Repayment of long-term borrowings (Net)		18.31	(13.09)
Redemption of 10% Non Convertible Non Cumulative Redeemable Preference Shares of ₹ 10 each		-	(858.00)
Repayment of Inter corporate deposits		(1,339.86)	(72.45)
Repayment of short-term borrowings (Net)		(45.57)	(224.25)
Current maturities of long-term debt		(820.64)	284.48
Dividend Paid		(648.77)	-
Proceeds from conversion of partly paid -up shares to fully paid up shares		0.23	-
Interest accrued		3.05	(32.00)
Interest paid		(623.88)	(891.17)
Net cash flow used in financing activities	(C)	(3,457.13)	(1,806.48)
Net increase in cash and cash equivalents	(A+B+C)	97.28	41.98
Cash and cash equivalents at the beginning of the year		83.45	41.47
Effect of exchange rate changes on Cash and cash equivalents		-	-
Cash and cash equivalents at the end of the year (Refer Note No. 12)		180.73	83.45

Note : The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Ind AS-7- "Statement of Cash Flow".

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As per our report of even date

For **Khandelwal Jain & Co**
Chartered Accountants
Firm Registration No: - 105049W

S. S. SHAH
Partner
Membership No.: 033632

Place : Mumbai
Date : 27th May, 2021

For and on behalf of the Board of Directors

SURENDRA SOMANI
Executive Vice Chairman
DIN: 00600860

B. K. SONI
Chief Financial Officer

SUSHEEL SOMANI
Director
DIN: 00601727

SUNIL SODHANI
Company Secretary

Notes to Consolidated Financial Statements

for the year ended 31st March, 2021

1 CORPORATE INFORMATION

Kopran Limited (referred to as "KL" or "the Holding Company") is a public company domiciled in India and is incorporated under the provisions of the Companies Act, 1956 applicable in India. Its shares are listed on BSE and NSE in India.

The Holding Company and its subsidiaries are engaged in the business of manufacturing of Formulation (Finished Dosage Form) and Active Pharmaceutical Ingredients (API).

The Holding Company, its subsidiaries, associate and joint venture together referred as "the Company" or "the Group".

The addresses of its registered office and principal place of business are disclosed in the introduction to the annual report.

The financial statements were authorised for issue by the board of directors on 27th May, 2021.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

Compliance with Ind AS

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

Historical Cost Convention

The consolidated financial statements have been prepared on the historical cost basis except for the followings:

- certain financial assets and liabilities and contingent consideration that is measured at fair value or amortised cost at the end of each reporting period.
- assets held for sale measured at fair value less cost to sell;
- defined benefit plans plan, assets measured at fair value; and
- Derivative financial instruments.

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

The consolidated financial statements are presented in Indian Rupees (which is the functional currency of the Holding Company) in Lakhs and all values are rounded to the nearest two decimal point except where otherwise stated.

Principles of Consolidation

The consolidated financial statements relate to Kopran Limited ('the Company') and its subsidiary companies, associates and joint ventures. The consolidated financial statements have been prepared on the following basis:

The financial statements of the Company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.

Profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and property, plant & equipment, are eliminated in full.

In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the Foreign Currency Translation Reserve.

Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as on the date of disposal is recognized in the Consolidated Statement of Profit and Loss being the profit or loss on disposal of investment in subsidiary.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2021 (Contd.)

Non Controlling Interest's share of profit / loss of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Group.

Non Controlling Interest's share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Group's shareholders.

Investment in Associates and Joint Ventures has been accounted under the equity method as per Ind AS 28 - Investments in Associates and Joint Ventures.

The Group accounts for its share of post acquisition changes in net assets of associates and joint ventures, after eliminating unrealized profits and losses resulting from transactions between the Group and its associates to the extent of its share, through its Consolidated Statement of Profit and Loss, to the extent such change is attributable to the associates' Statement of Profit and Loss and through its reserves for the balance based on available information.

2.2 Current/non current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

2.3 Summary of significant accounting policies

(a) Foreign currency translation

(i) Functional and presentation currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian rupee (INR), which is group's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Monetary items denominated in foreign currency at the year end and not covered under forward exchange contracts are translated at the functional currency spot rate of exchange at the reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the consolidated

Notes to Consolidated Financial Statements

for the year ended 31st March, 2021 (Contd.)

statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(iii) Foreign operations

For the purposes of presenting these consolidated financial statements, the assets and liabilities of Group's foreign operations, are translated to the Indian Rupees at exchange rates at the end of each reporting period. The income and expenses of such foreign operations are translated at the average exchange rates for the period. Resulting foreign currency differences are recognised to retained earnings and presented within equity as part of Foreign Currency Translation Reserve.

(b) Fair value measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

The Group categorizes assets and liabilities measured at fair value into one of three levels as follows:

- **Level 1 – Quoted (unadjusted)**

This hierarchy includes financial instruments measured using quoted prices.

- **Level 2**

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

- **Level 3**

Level 3 inputs are unobservable inputs for the asset or liability.

(c) Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying

Notes to Consolidated Financial Statements

for the year ended 31st March, 2021 (Contd.)

amount and fair value less costs to sell and are disclosed separately under the head "Other Current Assets", once classified as held for sale are not depreciated or amortised.

(d) Property, plant and equipment

For transition to Ind AS, the Group has elected to continue with the carrying value of its Property, Plant and Equipment (PPE) recognized as of 01st April, 2016 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date.

PPE are stated at actual cost less accumulated depreciation and impairment loss. Actual cost is inclusive of freight, installation cost, duties, taxes and other incidental expenses for bringing the asset to its working conditions for its intended use (net of recoverable taxes) and any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by the Management. It include professional fees and borrowing costs for qualifying assets.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from its previously assessed standard of performance. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Borrowing costs directly attributable to acquisition of property, plant and equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Advances paid towards the acquisition of Property, plant and equipment are disclosed as "Capital advances" under "Other Non - Current Assets" and the cost of assets not ready for its intended use as at the balance sheet date are disclosed as 'Capital work-in-progress'.

An item of PPE is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss when the asset is derecognized.

Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is neither related to the construction activity nor is incidental thereto is charged to the statement of profit and loss.

Depreciation methods, estimated useful lives and residual value

Depreciation of these PPE commences when the assets are ready for their intended use.

Depreciation is calculated on straight line basis using the useful lives estimated by the management, which are equal to those prescribed under Schedule II to the Companies Act, 2013.

The residual values are not more than 5% of the original cost of the asset.

On assets acquired on lease (including improvements to the leasehold premises), amortization has been provided for on Straight Line Method over the period of lease.

The estimated useful lives and residual values are reviewed on an annual basis and if necessary, changes in estimates are accounted for prospectively. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2021 (Contd.)

Depreciation on subsequent expenditure on PPE arising on account of capital improvement or other factors is provided for prospectively over the remaining useful life.

(e) Goodwill and Other Intangible assets

For transition to Ind AS, the Group has elected to continue with the carrying value of intangible assets recognized as of 01st April, 2016 (transition date) measured as per the Previous GAAP and use that carrying value as its deemed cost as on the transition date.

Goodwill

Goodwill represents the excess of consideration transferred, together with the amount of non-controlling interest in the acquiree, over the fair value of the Group's share of identifiable net assets acquired. Goodwill is measured at cost less accumulated impairment losses. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. The goodwill acquired in a business combination is, for the purpose of impairment testing, allocated to cash-generating units that are expected to benefit from the synergies of the combination. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of a cash-generating unit to which goodwill is allocated, the goodwill associated with the disposed cash-generating unit is included in the carrying amount of the cash-generating unit when determining the gain or loss on disposal.

Other intangible assets

Intangible assets are stated at cost (net of recoverable taxes) less accumulated amortization and impairment loss. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end and if necessary, changes in estimates are accounted for prospectively.

Computer software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use it
- there is an ability to use the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the Statement of Profit and Loss when the asset is derecognized.

Research and development expenditure

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised.

Development expenditure on an individual project are recognised as an intangible asset when the Company can demonstrate:

Notes to Consolidated Financial Statements

for the year ended 31st March, 2021 (Contd.)

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale.
- Its intention to complete and its ability and intention to use or sell the asset.
- How the asset will generate future economic benefits.
- The availability of resources to complete the asset.
- The ability to measure reliably the expenditure during development.

The amount capitalised comprise of expenditure that can be directly attributed or allocated on a reasonable and consistent basis for creating, producing and making the asset ready for its intended use.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete, and the asset is available for use. It is amortized on a straight-line basis over the period of expected future benefit from the related project, i.e., the estimated useful life. Amortization is recognized in the Statement of Profit and Loss. During the period of development, the asset is tested for impairment annually.

Amortisation methods and periods

Intangible assets comprising of goodwill is amortized on a straight line basis over the useful life of five years which is estimated by the management.

Amortization on subsequent expenditure on intangible assets arising on account of capital improvement or other factors is provided for prospectively over the remaining useful life.

The estimated useful lives and residual values are reviewed on an annual basis and if necessary, changes in estimates are accounted for prospectively.

(f) Impairment of non financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognized impairment loss (except for goodwill) is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited to the carrying amount of the asset.

(g) Leases

(i) As a lessee

The Company assesses whether a contract contains a lease, at the inception of contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assesses whether a contract conveys the right to control use of an identified asset, the Company assesses whether:

- The contract involves use of an identified asset;
- The Company has substantially all the economic benefits from the use of the asset through the period of lease; and

Notes to Consolidated Financial Statements

for the year ended 31st March, 2021 (Contd.)

- The Company has the right to direct the use of an asset.

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

Certain lease agreements include an option to extend or terminate the lease before the end of lease term. ROU assets and the lease liabilities includes these options when it is reasonably certain that they will be exercised.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e., higher of fair value less cost to sell and the value-in-use) is determined on individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate explicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right-of- use assets if the Company changes its assessment if whether it will exercise an extension or a termination of option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and the lease payments have been classified as financing cash flows.

(ii) As a lessor

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

(h) Inventories

Raw Materials, Stores and Spares and Packing Material are valued at lower of cost and net realizable value.

Work-in-Progress, Finished Goods and Stock-in-Trade are valued at lower of cost and net realizable value. Cost of Raw Materials, Stores & Spares and Packing Materials is determined using First in First out (FIFO) Method. Cost of Work-in-Progress and Finished Goods is determined on absorption costing method.

(i) Revenue recognition

The Group has adopted Ind AS 115 standard effective 1st April, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended 31st March, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is insignificant.

- (i) Revenue is recognized upon transfer of control of promised goods or services to Customers (i.e. when performance obligation is satisfied) for an amount that reflects the consideration which the Group expects to receive in exchange for those products or services.

Revenue is measured based on the transaction price, which is the consideration, adjusted for trade discounts such as price concessions, volume discounts, or any other price concessions as may be agreed with the

Notes to Consolidated Financial Statements

for the year ended 31st March, 2021 (Contd.)

customers at the time of sale. Revenues also excludes Goods and Services Tax (GST) or any other taxes collected from the Customers and net of returns and discounts.

- (ii) In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract costs incurred determining the degree of completion of the performance obligation.

(iii) Interest income

Interest income, including income arising from other financial instruments measured at amortized cost, is recognized using the effective interest rate method.

(iv) Dividend income

Dividend income is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

(j) Income Taxes

(i) Current income tax

The income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, if any.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting year. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred tax

Deferred income tax is recognized using the balance sheet approach, deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(iii) Minimum Alternate Tax (MAT)

MAT payable for a year is charged to the statement of profit and loss as current tax. The Group recognizes MAT credit available in the statement of profit and loss as deferred tax with a corresponding asset only to the extent that there is probable certainty that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The said asset is shown as 'MAT Credit Entitlement' under Deferred Tax. The Group reviews the same at each reporting date and writes down the asset

Notes to Consolidated Financial Statements

for the year ended 31st March, 2021 (Contd.)

to the extent the Group does not have the probable certainty that it will pay normal tax during the specified period.

(k) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when a Group becomes a party to the contractual provisions of the instruments.

Financial assets

Initial Recognition

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

(i) Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Debt instrument at FVTOCI

A 'debt instrument' is measured as at FVTOCI if both of the following criteria are met:

- the objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

(iv) Equity instruments measured at FVTOCI

All other equity investments are measured at fair value, with value changes recognized in Statement of Profit and Loss, except for those equity investments for which the Group has elected to present the value changes in 'Other Comprehensive Income'.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

(v) Cash and Cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with

Notes to Consolidated Financial Statements

for the year ended 31st March, 2021 (Contd.)

banks which are unrestricted for withdrawal and usage.

De-recognition

A financial asset is de-recognized only when

- The Group has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Group has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognized.

Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognized if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL), simplified model approach for measurement and recognition of Impairment loss on Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income / expense in the statement of Profit and Loss.

Financial liabilities

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Initial recognition and measurement

Financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortized cost unless at initial recognition, they are classified as fair value through profit and loss.

Subsequent measurement

Financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the statement of profit and loss.

(i) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting year. They are recognized initially at their fair value and subsequently measured at amortised cost using the effective interest method.

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for the year ended 31st March, 2021 (Contd.)

(ii) Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

(iii) Financial guarantee contracts

Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value and if not designated as at FVTPL, are subsequently measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount initially recognised less cumulative amount of income recognised.

De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

Embedded derivatives

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

Reclassification of financial assets

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts, full currency swap, options and interest rate swaps to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

Notes to Consolidated Financial Statements

for the year ended 31st March, 2021 (Contd.)

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in Fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

(i) Fair value hedges

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

(ii) Cash flow hedges

The effective portion of changes in the fair value of the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in profit or loss. The Group uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

(i) Convertible financial instrument

Convertible instruments are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible instruments, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible instrument based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

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for the year ended 31st March, 2021 (Contd.)

(m) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The Group operates the following post-employment schemes:

- (a) defined benefit plans viz. gratuity,
- (b) defined contribution plans viz. provident fund.

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are disclosed as "Remeasurements of net defined benefit plans" under the head "Other Comprehensive Income" in the statement of changes in equity.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans

The Group pays provident fund contributions to publicly administered provident funds as per local regulations. The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(vi) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2021 (Contd.)

(n) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation and a reliable estimate can be made of the amount of obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Claims against the Group where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

(o) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the year in which they are incurred.

Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds.

(p) Segment Reporting - Identification of Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by geographic segments.

(q) Earnings per share

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

(r) Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks having the maturity of three months or less which are subject to insignificant risk of changes in value.

(s) Cash Flow Statement

Cash Flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions

Notes to Consolidated Financial Statements

for the year ended 31st March, 2021 (Contd.)

of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

(t) Dividends

The Group recognises a liability to make dividend distributions to equity holders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

(u) Significant accounting judgements, estimates and assumptions

The preparation of these consolidated financial statements in conformity with the recognition and measurement principles of Ind AS requires the management to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the consolidated financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of impairment of non current assets, useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities and fair value measurement.

(i) Impairment of non - financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to disclosure of fair value of investment property recorded by the Group.

(ii) Useful lives of property, plant and equipment

The Group reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

(iii) Valuation of deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

(iv) Defined benefit plans

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using Projected Unit Credit method with actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2021 (Contd.)

(v) Provisions and contingent liabilities

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

(vi) Fair value measurement

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

3 RECENT PRONOUNCEMENTS

"The Ministry of Corporate affairs ("MCA") through a notification dated March 24, 2021, amended Schedule III of the Companies Act, 2013 which will be applicable effective 1st April, 2021.

- Disclosure of shareholding of promoters in specified format.
- Disclosure of current maturities of Long term borrowings under the head short term borrowings
- Disclosure of ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development in specified format.
- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Financial Ratios to be disclosed along with explanation with respect to items included in numerator and denominator.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.
- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The Company will evaluate the above and give effect as required by law."

Notes to Consolidated Financial Statements

for the year ended 31st March, 2021 (Contd.)

4. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakhs)

Particulars	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computer	R & D Equipment	Total
Gross Amount									
As At 1st April, 2019	444.61	2,989.35	9,889.64	154.36	174.12	31.53	96.29	4.08	13,783.98
Additions	-	56.55	708.24	21.57	-	5.83	17.61	-	809.80
Adjustments	-	-	5.69	1.55	-	-	-	-	7.24
Disposals/Transfer	-	-	-	-	-	-	-	-	-
As At 31st March, 2020	444.61	3,045.90	10,603.57	177.48	174.12	37.36	113.90	4.08	14,601.02
Additions	-	146.96	667.02	5.95	-	3.45	16.50	-	839.88
Adjustments *	-	-	(1.43)	(0.54)	-	-	-	-	(1.97)
Disposals/Transfer	-	-	75.04	-	-	-	-	-	75.04
As At 31st March, 2021	444.61	3,192.86	11,194.12	182.89	174.12	40.81	130.40	4.08	15,363.89
Accumulated depreciation and impairment									
As At 1st April, 2019	-	255.93	2,130.93	48.19	53.66	13.87	42.03	1.05	2,545.66
Depreciation	-	114.63	757.76	19.65	26.98	6.42	25.73	0.63	951.80
Adjustments	-	-	4.76	1.55	-	-	-	-	6.31
Disposals/Transfer	-	-	-	-	-	-	-	-	-
As At 31st March, 2020	-	370.56	2,893.45	69.39	80.64	20.29	67.76	1.68	3,503.77
Additions	-	117.88	771.18	16.82	24.02	6.35	20.36	0.17	956.78
Adjustments *	-	-	(1.15)	(0.54)	-	-	-	-	(1.69)
Disposals/Transfer	-	-	22.01	-	-	-	-	-	22.01
As At 31st March, 2021	-	488.44	3,641.47	85.67	104.66	26.64	88.12	1.85	4,436.85
Net Carrying Amount									
As At 31st March, 2020	444.61	2,675.34	7,710.12	108.09	93.48	17.07	46.14	2.40	11,097.25
As At 31st March, 2021	444.61	2,704.42	7,552.65	97.22	69.46	14.17	42.28	2.23	10,927.04

* Adjustments represents impact of fluctuation in foreign currency due to translation of fixed assets of foreign subsidiary

5. INTANGIBLE ASSETS

(₹ in Lakhs)

	Product Development Cost	Intangible Assets-Ticagrelor	Goodwill on consolidation	Total
Gross Amount				
As At 1st April, 2019	14.13	15.68	0.58	30.39
Additions	-	-	-	-
Disposals	-	-	-	-
As At 31st March, 2020	14.13	15.68	0.58	30.39
Additions/Transfer	336.88	-	-	336.88
Disposals/Transfer	-	-	-	-
As At 31st March, 2021	351.01	15.68	0.58	367.27
Accumulated amortisation				
As At 1st April, 2019	4.60	1.94	-	6.54
Amortisation	2.91	2.98	-	5.89
Disposals	-	-	-	-
As At 31st March, 2020	7.51	4.92	-	12.43
Amortisation	59.43	2.98	-	62.41
Disposals/Transfer	-	-	-	-
As At 31st March, 2021	66.94	7.90	-	74.84
Net Carrying Amount				
As At 31st March, 2020	6.62	10.76	0.58	17.96
As At 31st March, 2021	284.07	7.78	0.58	292.43

Notes to Consolidated Financial Statements

for the year ended 31st March, 2021 (Contd.)

6. NON - CURRENT FINANCIAL ASSETS - INVESTMENT

(₹ in Lakhs)

Note No.	Particulars	Face Value per share (in ₹)	As at 31 st March, 2021	As at 31 st March, 2020
a)	Investments in Equity Instruments - Quoted - (at fair value through other comprehensive income (FVTOCI))			
	30 shares (31 st March, 2020: 30 shares) of Advent Computers Ltd.	10.00	-	-
	Sub - Total		-	-
b)	Investments in Equity Instruments - Unquoted - (at fair value through other comprehensive income (FVTOCI))			
	20,000 shares (31 st March, 2020: 20,000 shares) of Kapol Co-Op. Bank Ltd.	10.00	2.00	2.00
	3,500 shares (31 st March, 2020: 1,000 shares) of Saraswat Co-Op. Bank Ltd.	10.00	3.84	1.64
	500 shares (31 st March, 2020: 500 shares) of the New India Co-Op. Bank Ltd.	10.00	0.27	0.26
	NIL shares (31 st March, 2020: 25,000 shares) of Mandvi Co-Op. Bank Ltd.	10.00	-	2.50
	Less: Provision for impairment in value of investments		(2.00)	(4.50)
	Sub - Total		4.11	1.90
c)	Investments in Government securities (non-trade) - (at amortised cost)			
	7 years national savings certificate (lodged with collector of central excise and sales tax authority-Mumbai)		0.40	0.40
	Total - A + B + C		4.51	2.30
	Aggregate amount of quoted Investments		0.24	0.24
	Market value of quoted investments		-	-
	Aggregate amount of unquoted Investments		4.65	4.65
	Aggregate amount of impairment in value of investments		2.00	4.50

Notes to Consolidated Financial Statements

for the year ended 31st March, 2021 (Contd.)

7. NON - CURRENT FINANCIAL ASSETS - LOANS

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Unsecured, considered good		
Security Deposits	379.81	357.23
Total	379.81	357.23

8. DEFERRED TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Deferred tax liabilities (Gross)		
Relating to depreciation on fixed assets		
(a)	-	463.61
Deferred Tax Assets (Gross)		
Provision for gratuity	-	101.94
Provision for leave encashment	-	30.45
Provision for expected credit loss	-	10.36
Provision for bonus	-	5.13
Provision for export benefit obligation	-	4.74
Fair value of equity instruments through OCI	-	0.07
(b)	-	152.69
MAT credit entitlement	-	434.48
(c)	-	434.48
Net Deferred Tax Assets - (b) + (c) - (a)	-	123.56

9. OTHER NON - CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Considered good		
Capital advances	205.46	117.17
Deduction of Income Tax	23.53	15.96
Premium on Land under operating lease	114.90	116.45
Prepaid expenses	6.78	12.73
Total	350.67	262.31

Notes to Consolidated Financial Statements

for the year ended 31st March, 2021 (Contd.)

10. INVENTORIES

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
(Valued at lower of cost or net realisable value)		
Raw materials {Includes stocks in transit ₹ 271.83 Lakhs (31 st March, 2020: ₹ 126.50 Lakhs)}	5,346.33	2,597.50
Work-in-progress	3,503.78	3,002.07
Finished goods	550.38	2,604.29
Stores and spares	183.60	246.12
Packing materials	416.27	399.68
Total	10,000.36	8,849.66

11. CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Unsecured		
Considered Good		
Receivable from other parties	12,038.74	9,316.69
Less: Expected credit loss	(30.89)	(35.57)
Sub - total (A)	12,007.85	9,281.12
Credit impaired	29.32	52.45
Less: Expected credit loss	(29.32)	(52.45)
Sub - total (B)	-	-
Total - A + B	12,007.85	9,281.12

12. CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Balances with Banks		
On Current Accounts	79.31	81.18
In Fixed Deposit Accounts (Maturity of less than 3 months)	11.53	-
Cash on Hand	2.69	2.27
Total	93.53	83.45

13. CURRENT FINANCIAL ASSETS - BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Earmarked balances with banks		
Unpaid Dividend Account	11.52	-
Fixed deposits (Held as margin money or security against the guarantees)		
Maturity of less than 3 months	75.68	-
Maturity of more than 3 months & less than 12 months	509.08	391.16
Total	596.28	391.16

Notes to Consolidated Financial Statements

for the year ended 31st March, 2021 (Contd.)

14. CURRENT FINANCIAL ASSETS - LOANS RECEIVABLES

(₹ in Lakhs)

Particulars	As at	
	31 st March, 2021	31 st March, 2020
Unsecured, considered good		
Security deposits	1.86	-
Loans to employees	45.07	87.45
Total	46.93	87.45

15. CURRENT FINANCIAL ASSETS - OTHERS

(₹ in Lakhs)

Particulars	As at	
	31 st March, 2021	31 st March, 2020
Foreign currency forward / option contracts	324.84	-
Interest receivable	6.92	5.32
Total	331.76	5.32

16. CURRENT TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	As at	
	31 st March, 2021	31 st March, 2020
Advance income-tax (Net of provision of taxation)	38.04	72.38
Total	38.04	72.38

17. OTHER CURRENT ASSETS

(₹ in Lakhs)

Particulars	As at	
	31 st March, 2021	31 st March, 2020
Prepaid Expenses	135.24	140.40
Balance with statutory / government authorities	4,328.86	3,265.78
Receivable from related party - Enterprises Significantly influenced by KMP or their relative - Kopran Laboratories Limited	-	38.46
Others	116.07	45.04
Total	4,580.17	3,489.68

18. EQUITY SHARE CAPITAL

(₹ in Lakhs)

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
	Number	Amount	Number	Amount
Authorised				
Equity Shares of ₹ 10 each	5,62,50,000	5,625.00	5,62,50,000	5,625.00
Preference Shares of ₹ 10 each	1,37,50,000	1,375.00	1,37,50,000	1,375.00
Total	7,00,00,000	7,000.00	7,00,00,000	7,000.00
Issued				
Equity Shares of ₹ 10 each fully paid up	4,32,52,602	4,325.26	4,32,52,602	4,325.26
Subscribed and Paid up				
Equity Shares of ₹ 10 each fully paid up	4,32,50,606	4,325.06	4,32,52,602	4,325.26
Less: Calls in-Arrears (Other than Director's)	-	-	-	0.37
Add: Equity Shares forfeited (amount originally paid up)	1,996	0.10		
Total	4,32,52,602	4,325.16	4,32,52,602	4,324.89

Notes to Consolidated Financial Statements

for the year ended 31st March, 2021 (Contd.)

(i) Reconciliation of Number of Equity Shares

(₹ in Lakhs)

Particulars	As at	As at
	31 st March, 2021	31 st March, 2020
	Number of Shares	Number of Shares
Opening Balance	4,32,52,602	4,32,52,602
Add : Shares Issued during the year	-	-
Closing Balance	4,32,52,602	4,32,52,602

(ii) Rights, Preferences and Restrictions attaching to each class of shares Equity Shares having a face value of ₹10

As to voting

The Company has only one class of shares referred to as equity shares having a face value of ₹ 10. Each holder of the equity share is entitled to one vote per share.

As to distribution of dividends

The Shareholders are entitled to receive dividend in proportion to the amount of paid up equity shares held by them. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend which is recognised on approval by board of directors.

As to repayment of capital

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

(iii) Shares held by Holding / Ultimate Holding Company and / or their Subsidiaries / Associates

There is no Holding Company or Ultimate Holding Company of the Company. Accordingly, disclosures pertaining to shares of the Company held by held by holding company or its ultimate holding company including shares held by subsidiaries or associates of the holding company or the ultimate holding company is not applicable.

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

(₹ in Lakhs)

Name of Shareholder	As at 31 st March, 2021		As at 31 st March, 2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares of ₹ 10 each fully paid				
Panorama Finvest Pvt. Ltd.	38,00,000	8.79%	38,00,000	8.79%
Sarvamangal Mercantile Co. Ltd.	29,02,951	6.71%	29,02,951	6.71%
Oricon Enterprises Ltd.	59,61,758	13.78%	59,61,758	13.78%
Rajendra Somani	23,24,250	5.37%	23,24,250	5.37%

Notes to Consolidated Financial Statements

for the year ended 31st March, 2021 (Contd.)

19. OTHER EQUITY

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Capital Contribution from holding	-	-
Reserves and Surplus		
Capital Reserve	1,484.74	1,484.74
General Reserve	814.21	814.21
Securities Premium	12,227.12	12,226.95
Export Allowance Reserve	0.40	0.40
Retained Earnings	5,443.15	(68.69)
Sub - Total - A	19,969.62	14,457.61
Other Comprehensive Income (OCI)		
Equity Instruments through OCI	1.62	(0.17)
Foreign exchange fluctuation reserve	119.30	125.78
Remeasurements of net defined benefit plans	87.34	59.89
Sub - Total - B	208.26	185.50
Total - A + B	20,177.88	14,643.11

20. NON - CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Secured		
Term Loans		
From Others - Vehicle loan	5.50	14.97
From Banks	27.78	-
Unsecured		
From Others		
Loan Against Property of Bottle closure - Housing Development finance Corporation Limited	1,857.52	1,976.00
Inter corporate deposits		
Related Parties	-	737.97
Others	230.42	453.83
Total	2,121.22	3,182.77

Security, rate of interest and terms of repayment

- a) Vehicle loans are secured by way of hypothecation of vehicles.
Rate of Interest - 9.71% p.a.
Terms of repayment are as under:
31.03.2022 - ₹ 9.91 Lakhs
31.03.2023 - ₹ 5.50 Lakhs
- b) Working Capital Term Loan carries interest of MCLR and is repayable in 18 equal monthly installments. The loans are secured by hypothecation of inventories and book debts (present and future) also first pari passu charge by way of mortgage on all immoveable properties and by way of hypothecation on all the moveable fixed assets of the company both present and future and guaranteed by director / promoter jointly and severally.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2021 (Contd.)

c) Loan Against Property of Bottle closure - Housing Development finance Corporation Limited

The term loan carry adjustable interest rate of ICLR - 10% margin p.a. and is repayable in 144 equal monthly installments. The loan is secured against property of Bottle Closure India Private Limited. The loan is guaranteed by others.

d) Inter-corporate deposits from related parties and other parties are unsecured.

Rate of Interest - 10% p.a.

Inter corporate deposits are repayable as under:

31.03.2023 - ₹ 230.42 Lakhs

21. NON - CURRENT LIABILITIES - PROVISIONS

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Gratuity	605.89	574.15
Leave encashment	140.95	145.82
Total	746.84	719.97

22. DEFERRED TAX LIABILITIES

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Deferred Tax Liability		
Relating to depreciation on fixed assets	844.76	367.83
Fair value of equity instruments through OCI	0.36	-
(a)	845.12	367.83
Deferred Tax Assets		
Provision for gratuity	178.16	67.05
Provision for leave encashment	47.52	17.95
Provision for bonus	16.50	3.82
Provision for expected credit loss	10.23	10.33
Provision for export benefit obligation	5.18	-
Provision for impairment in value of investments	0.58	-
(b)	258.17	99.15
Less: MAT Credit Entitlement	88.20	-
Total	498.75	268.68

23. CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Secured, Repayable on demand		
From banks		
Cash credit / packing credit	3,200.81	3,417.90
Buyers credit	1,040.96	879.02
Unsecured, repayable on demand		
Loan from Director	66.50	326.50
Total	4,308.27	4,623.42

Notes to Consolidated Financial Statements

for the year ended 31st March, 2021 (Contd.)

Security and rate of interest

Cash credit / packing credit / buyers credit is secured by:

1st pari passu hypothecation charge on entire stocks and receivables of the Company both present and future.

2nd pari passu charge on entire fixed assets of the Company both present and future.

Corporate Guarantee of Subsidiary Company - Kopran Research Laboratories Limited and personal guarantee of director / promoter aggregating to ₹ 3,600.00 Lakhs.

Corporate Guarantee of Holding Company - Kopran Limited and personal guarantee of director / promoter aggregating to ₹ 6,250.00 Lakhs.

Rate of Interest on cash credit - 9.05% p.a. to 13.10% p.a.

Rate of Interest on packing credit - Libor + 2.50% p.a.

Rate of Interest on buyers credit - Libor + 0.50% p.a to Libor + 1.50% p.a.

24. TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Due to micro and small enterprises (Refer Note No. 44)	127.26	133.31
Due to Others [including acceptances ₹ Nil ((31 st March, 2020: ₹ 129.24 Lakhs)]	8,464.21	5,341.00
Total	8,591.47	5,474.31

25. CURRENT FINANCIAL LIABILITIES - OTHER

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Current maturities of long-term debt (for Security, rate of interest and terms of repayment refer Note No. 20(a), (b) and (c) above).	200.67	1,021.31
Interest accrued	9.02	5.97
Unpaid Dividends	11.52	-
Security deposits	21.00	26.00
Foreign currency forward / option contracts	-	603.75
Other payables		
Creditors for capital goods	629.04	171.53
Employees payables	522.66	447.98
Creditors for expenses	837.54	455.78
Provision for expenses	63.68	89.47
Others	252.69	238.29
Total	2,547.82	3,060.08

26. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Advance from customers	238.41	645.82
Statutory liabilities	63.13	66.99
Other payables	35.65	43.90
Total	337.19	756.71

Notes to Consolidated Financial Statements

for the year ended 31st March, 2021 (Contd.)

27. CURRENT LIABILITIES - PROVISIONS

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Gratuity	40.84	42.31
Leave encashment	31.62	30.06
Total	72.46	72.37

28. CURRENT TAX LIABILITIES

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Provision for tax (Net of advance tax)	211.22	18.45
Total	211.22	18.45

29. REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
Sale of products	48,148.64	35,039.92
Other operating revenues		
Scrap sales	64.97	39.68
Export Incentive	955.74	858.34
Others	12.00	12.00
Total	49,181.35	35,949.94

30. OTHER INCOME

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
Dividend income		
Long - term investments	-	0.07
Interest Income		
On fixed deposit	20.48	22.47
Others	8.85	23.44
Recovery of Bad Debts Earlier Written off	70.00	16.46
Liabilities written back (net)	4.26	0.62
Net gain on foreign currency transaction and translation	1,609.30	-
Miscellaneous income	85.79	0.01
Total	1,798.68	63.07

Notes to Consolidated Financial Statements

for the year ended 31st March, 2021 (Contd.)

31. COST OF MATERIAL CONSUMED

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
Raw material consumption		
Opening stock	2,597.50	3,427.22
Add: Purchases	27,448.38	19,691.82
	30,045.88	23,119.04
Less : Closing stock	5,346.33	2,537.72
Sub - Total	24,699.55	20,581.32
Packing material consumption		
Opening stock	399.68	415.97
Add: Purchases	1,861.83	1,707.97
	2,261.51	2,123.94
Less : Closing stock	416.27	399.68
Sub - Total	1,845.24	1,724.26
Total	26,544.79	22,305.58

32. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
Opening Inventories		
Finished goods	2,604.29	546.97
Work in progress	3,002.07	2,778.21
	5,606.36	3,325.18
Closing Inventories		
Finished goods	550.38	2,604.29
Work in progress	3,503.78	3,002.07
	4,054.16	5,606.36
Total	1,552.20	(2,281.18)

33. EMPLOYEE BENEFITS EXPENSE

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
Salaries and Wages	3,271.84	3,231.27
Contribution to Provident and Other Funds	183.43	172.94
Staff welfare expenses	260.39	281.00
Total	3,715.66	3,685.21

Notes to Consolidated Financial Statements

for the year ended 31st March, 2021 (Contd.)

34. FINANCE COSTS

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
Interest expense	451.51	695.61
Other borrowing cost	172.37	195.56
Total	623.88	891.17

35. OTHER EXPENSES

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
Stores and spares consumed	599.36	341.42
Power and fuel	1,664.62	1,807.74
Rent	257.92	253.03
Repairs and maintenance		
Building	77.82	41.21
Machinery	133.96	144.58
Others	81.49	76.93
Insurance	81.25	65.72
Commission on sales	795.60	859.30
Selling and distribution expenses	46.19	76.78
Product registration charges	52.52	75.07
Job work charges	651.01	677.99
Packing, freight and forwarding	979.91	453.04
Payments to the auditor (Refer Note No. 46)	15.34	13.83
Housekeeping and office maintainance	86.19	74.55
Printing and stationery	59.29	53.34
Postage, telegram and telephone	32.48	41.97
Travelling and conveyance	104.44	226.34
Legal and professional fees	726.74	619.01
Rates and taxes	54.22	59.09
Security and labour charges	178.83	158.03
Directors' sitting fees	5.44	5.55
Sundry balances written off	76.35	4.38
Bad debts	84.12	82.73
Add / (Less): Provision for Expected credit loss written back	(16.40)	9.46
Amortization of premium on Operating lease	1.55	1.55
Corporate Social Responsibility Expenses	44.41	1.00
Net loss on foreign currency transaction and translation	-	65.76
Loss on Sale of License	5.50	10.07
Loss on Sale of Fixed Asset	6.53	-
Miscellaneous expenses	221.76	293.78
Total	7,108.44	6,593.25

Notes to Consolidated Financial Statements

for the year ended 31st March, 2021 (Contd.)

36. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
a) Contingent liabilities		
Guarantees given by the company's bankers on behalf of the Group	332.55	308.78
Bills discounted with banks	446.19	2,394.49
Disputed tax Matters		
Excise duty demand disputed in appeal	5.43	118.55
Service tax demand disputed in appeal	511.35	523.34
Income tax demand disputed in appeal	207.56	207.56
Other claims / demands against company not acknowledged as debts		
a) Demand under Drug Price Control Order - 95 (DPCO - 95) demand disputed in appeal	591.34	591.34
b) Others	13.24	13.24
b) Supreme Court Judgement on computation of provident fund contribution		
<p>On February 28, 2019, the Honorable Supreme Court of India delivered a judgement in the case of 'Vivekananda Vidyamandir and Others Vs The Regional Provident Fund Commissioner (II) West Bengal' in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. The Employees' Provident Fund Organisation also issued a circular (Circular No. C-1/1(33)2019/Vivekananda Vidyamandir/284) dated March 20, 2019 in relation to aforesaid matter.</p>		
c) Capital Commitments		
Estimated amounts of contracts remaining to be executed on capital account (net of advances) and not provided for	200.82	166.72

37. BASIC AND DILUTED EARNINGS PER SHARE [EPS] COMPUTED IN ACCORDANCE WITH IND AS 33 "EARNINGS PER SHARE"

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
Net Profit as per the Statement of Profit and Loss available for Equity Shareholders (₹ in Lakhs)	6,160.62	2,102.02
Number of Equity Shares outstanding (No's in Lakhs)	432.51	432.53
Weighted average number of Equity Shares for Basic and Diluted Earnings Per Share (No's in Lakhs)	432.51	432.53
Nominal value of equity shares ₹	10.00	10.00
Earnings Per Share:		
Basic (in ₹)	14.24	4.86
Diluted (in ₹)	14.24	4.86

Notes to Consolidated Financial Statements

for the year ended 31st March, 2021 (Contd.)

38. CIF VALUE OF IMPORTS

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
Raw Materials / Packing Material	16,191.09	9,558.04
Traded Goods	1,514.32	835.66
Capital Goods (including Capital Work-in-Progress)	110.82	30.65
Total	17,816.23	10,424.35

39. EXPENDITURE IN FOREIGN CURRENCY

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
Commission	650.96	683.72
Registration Fees	46.50	53.31
Bank Interest on Buyers Credit	15.49	18.92
Export Promotion Expenses	-	12.82
Travelling Expenses	6.16	73.53
Research & Development Charges	-	4.12
Product Registration	4.82	1.63
Plant Inspection Charges	41.79	10.18
Professional Charges Others	4.82	1.81
Others	52.34	31.11
Total	822.88	891.15

40. EARNINGS IN FOREIGN CURRENCY

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
FOB Value of Exports	38,914.41	26,754.32
Total	38,914.41	26,754.32

41. DISCLOSURE PURSUANT TO IND AS 19 "EMPLOYEE BENEFITS"

a) Defined contribution plan

Contributions to defined Contribution plan, recognised are charged off for the year are as under:

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
Employer's contribution to Provident Fund	169.60	158.21
Employer's contribution to Labour Welfare Fund	0.44	0.44
Employer's contribution to ESIC	13.39	14.29
Total	183.43	172.94

b) Defined Benefit plan

The employees' gratuity scheme is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognised in the same manner.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2021 (Contd.)

i) Gratuity Benefits (unfunded)

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
Present value of the projected benefit obligation		
Present value of benefit obligation at the beginning of the year	616.46	549.05
Interest cost	42.04	42.74
Current service cost	48.65	40.15
Past service cost	-	-
Actuarial (gains) / losses on obligations - due to change in financial assumptions	(9.08)	57.14
Actuarial (gains) / losses on obligations - due to experience	(28.94)	(36.27)
Benefits paid directly by employer	(22.41)	(36.35)
Present value of benefit obligation at the end of the year	646.73	616.46
Change in the fair value of plan assets		
Fair value of Plan Assets at the beginning of the year	-	-
Interest income	-	-
Contributions by the employer	-	-
Expected contributions by the employees	-	-
Return on plan assets, excluding interest income	-	-
Fair value of plan assets at the end of the year	-	-
Amount recognised in the Balance Sheet		
Present value obligations at the end of the year	(646.73)	(616.46)
Fair value of plan assets at the end of the year	-	-
Funded status surplus / (deficit)	(646.73)	(616.46)
Net (liability) / asset recognised in the Balance Sheet	(646.73)	(616.46)
Net interest cost for the current year		
Present value benefit obligation at the beginning of the year	616.46	549.05
Fair value of plan assets at the beginning of the year	-	-
Net liability / (asset) at the beginning	616.46	549.05
Interest cost	42.04	42.74
Interest income	-	-
Interest cost for the current year	42.04	42.74
Expenses recognised in the statement of profit or loss for the current year		
Current service cost	48.65	40.15
Net interest cost	42.04	42.74
Past service cost	-	-
Expenses recognised	90.69	82.89

Notes to Consolidated Financial Statements

for the year ended 31st March, 2021 (Contd.)

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
Expenses recognized in the other comprehensive income (OCI) for current year		
Actuarial (gains) / losses on obligation for the year	(38.02)	20.87
Return on plan assets, excluding interest income	-	-
Change in asset ceiling	-	-
Net (income) / expense for the year recognized in OCI	(38.02)	20.87
Balance Sheet Reconciliation		
Opening net liability	616.46	549.05
Expenses recognised in the statement of profit or loss	90.69	82.89
Expenses recognised in OCI	(38.02)	20.87
Benefits paid directly by employer	(22.41)	(36.35)
Net liability / (asset) recognised in the Balance Sheet	646.73	616.46
Category of assets		
NIL, as Funding status in unfunded.		
Maturity analysis of the benefit payments from the employer		
Projected benefits payable in future years from the date of reporting		
1st following year	40.84	42.32
2nd following year	16.10	9.71
3rd following year	34.72	24.28
4th following year	25.47	36.04
5th following year	35.80	24.60
Sum of years of 6 to 10	260.87	226.83
Sum of years of 11 and above	1,077.27	1,068.81

Sensitivity Analysis

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2021 (Contd.)

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
Projected benefit obligation on current assumptions	646.73	616.46
Delta effect of + 0.50% change in rate of discounting	(30.90)	(30.66)
Delta effect of - 0.50% change in rate of discounting	33.32	33.11
Delta effect of + 0.50% change in rate of salary increase	33.40	161.08
Delta effect of - 0.50% change in rate of salary increase	3.09	(30.89)
Delta effect of + 0.50% change in rate of employee turnover	2.95	2.67
Delta effect of - 0.50% change in rate of employee turnover	(3.15)	(2.85)
Assumptions used to determine the benefit obligations		
Rate of Discounting	0.07	0.07
Rate of salary increase	5.50% & 6.00%	5.50% & 6.00%
Rate of employee turnover	0.01	0.01
Mortality rate during employment	Indian Assured Lives Mortality (2006-08) Ultimate	

ii) Leave Encashment (unfunded)

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
Present value of the projected benefit obligation		
Present value benefit obligation at the beginning of the year	175.88	163.99
Interest cost	12.00	12.76
Current service cost	13.55	10.63
Actuarial (gains) / losses on obligations - due to change in financial assumptions	(2.71)	17.03
Actuarial (gains) / losses on obligations - due to experience	(10.47)	(14.85)
Benefits paid directly by employer	(15.68)	(13.68)
Present value of benefit obligation at the end of the year	172.57	175.88
Change in the Fair value of plan assets		
Fair value of plan assets at the beginning of the year	-	-
Interest Income	-	-
Contributions by the employer	-	-
Expected Contributions by the employees	-	-
Return on Plan assets, excluding interest income	-	-
Fair value of Plan Assets at the end of the year	-	-
Actuarial (gains) / losses recognised in the Statement of Profit or Loss for the current year		
Actuarial (gains) / losses on obligation for the year	(13.18)	2.18
Return on plan assets, excluding interest income	-	-
Sub- total	(13.18)	2.18
Actuarial (gains) / losses recognised in the Statement of Profit or Loss	(13.18)	2.18

Notes to Consolidated Financial Statements

for the year ended 31st March, 2021 (Contd.)

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
Actual Return on Plan Assets		
Interest income	-	-
Return on plan assets, excluding interest income	-	-
Actual return on plan assets	-	-
Amount recognised in the Balance Sheet		
Present value obligations at the end of the year	(172.57)	(175.88)
Fair value of plan assets at the end of the year	-	-
Funded status surplus / (deficit)	(172.57)	(175.88)
Unrecognised past service cost at the end of the period	-	-
Net (liability) / asset recognised in the Balance Sheet	(172.57)	(175.88)
Net interest cost for the current year		
Present value benefit obligation at the beginning of the year	175.88	163.99
Fair value of plan assets at the beginning of the year	-	-
Net (liability) / asset at the beginning	175.88	163.99
Interest cost	12.00	12.76
Interest income	-	-
Net interest cost for the current year	12.00	12.76
Expenses recognised in the statement of profit or loss for the current year		
Current service cost	13.55	10.63
Net interest cost	12.00	12.76
Actuarial (gains) / losses	(13.18)	2.18
Expenses recognised in the statement of profit or loss	12.37	25.57
Balance Sheet reconciliation		
Opening net liability	175.88	163.99
Expenses recognised in the statement of profit or loss	12.37	25.57
Employers contribution	-	-
Benefits paid directly by employer	(15.68)	(13.68)
Net liability / (assets) recognised in the Balance Sheet	172.57	175.88
Category of Assets		
NIL, as Funding status in unfunded		-
Assumptions used to determine the benefit obligations		
Rate of Discounting	0.07	0.07
Rate of salary increase	5.50% & 6.00%	5.50% & 6.00%
Rate of employee turnover	0.01	0.01
Mortality rate during employment	Indian Assured Lives Mortality (2006-08) Ultimate	

Notes to Consolidated Financial Statements

for the year ended 31st March, 2021 (Contd.)

42. DISCLOSURE OF RELATED PARTIES/RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24 "RELATED PARTY DISCLOSURES"

Names of related parties where control exists

Key Management Personnel	Surendra Somani (Executive Vice Chairman)
	B. K. Soni (Chief Financial Officer)
	Sunil Sodhani (Company Secretary)
	Mr. Kamesh Venkata Bhamidipati
	Chandra M Singhi (Director)
	Rakesh Doshi (Director)
	K B Shetty (Chief Financial Officer- Till December 15,2020)
	Lekha Jogi (Chief Financial Officer-w.e.f December 15,2020)
	Adarsh Somani (Director)
	Varun Somani (Director)
	Susheel Somani (Director)
	Siddhan Subramanian (Director)
	Sunita Banerji (Director)
	Mamta Biyani (Director)
	Arhen A Rodrigues (Company Secretary)
Mrs. Vandana Somani (Director)	
Enterprises Significantly influenced by KMP or their relative (With whom there are transaction)	Oricon Enterprises Limited
	Kopran Laboratories Limited
	S K Somani Memorial Charitable Trust

(b) The following transactions were carried out during the year with the related parties in the ordinary course of business

Nature of Transaction	Key Management Personnel		Enterprises Significantly influenced by KMP or their relative (With whom there are transaction)		Total	
	2020-2021	2019-2020	2020-2021	2019-2020	2020-2021	2019-2020
Loan Received						
Oricon Enterprises Limited			-	250.00	-	250.00
Surendra Somani	-	364.00	-	-	-	364.00
Total	-	364.00	-	250.00	-	614.00
Repayment of Loan taken						
Surendra Somani	260.00	76.00	-	-	260.00	76.00
Oricon Enterprises Limited	-	-	1,364.00	985.00	1,364.00	985.00
Total	260.00	76.00	1,364.00	985.00	1,624.00	1,061.00
Purchases						
Oricon Enterprises Limited	-	-	71.12	87.87	71.12	87.87
Total	-	-	71.12	87.87	71.12	87.87
Interest Expense						
Oricon Enterprises Limited	-	-	49.55	195.64	49.55	195.64
Total	-	-	49.55	195.64	49.55	195.64
Interest Received						
Kopran Laboratories Limited			4.20	3.84	4.20	3.84
Total	-	-	4.20	3.84	4.20	3.84

Notes to Consolidated Financial Statements

for the year ended 31st March, 2021 (Contd.)

Nature of Transaction	Key Management Personnel		Enterprises Significantly influenced by KMP or their relative (With whom there are transaction)		Total	
	2020-2021	2019-2020	2020-2021	2019-2020	2020-2021	2019-2020
Loan Received						
Kopran Laboratories Limited			-	35.00	-	35.00
Total	-	-	-	35.00	-	35.00
Repayment of Loan Given						
Kopran Laboratories Limited			35.00	-	35.00	-
Total	-	-	35.00	-	35.00	-
Corporate Social Responsibility						
S K Somani Memorial Charitable Trust	-	-	24.51	-	-	-
Total	-	-	24.51	-	-	-
Miscellaneous Expenses						
Oricon Enterprises Limited - Rent	-	-	240.00	240.00	240.00	240.00
Kopran Laboratories Limited	-	-	0.48	70.04	0.48	70.04
Oricon Enterprises Limited - Others	-	-	28.51	-	28.51	-
Total	-	-	268.99	310.04	268.99	310.04
Remuneration						
Surendra Somani	125.65	148.46	-	-	125.65	148.46
B. K. Soni	27.24	20.06	-	-	27.24	20.06
Sunil Sodhani	16.46	14.86	-	-	16.46	14.86
Kamesh Venkata Bhamidipati	39.26	25.24	-	-	39.26	25.24
Chandra M Singhi	45.36	44.23	-	-	45.36	44.23
Rakesh Doshi	45.95	41.45	-	-	45.95	41.45
K B Shetty	7.43	11.11	-	-	7.43	11.11
Lekha Jogi	1.62	-	-	-	-	-
Ahren A Arodrigues	3.75	3.34	-	-	3.75	3.34
Total	312.72	308.75	-	-	311.10	308.75
Director Sitting fees						
Mrs. Vandana Somani	0.19	0.17	-	-	0.19	0.17
Sunita Banerji	0.28	0.21	-	-	0.28	0.21
Mamta Biyani	0.28	0.19	-	-	0.28	0.19
Total	0.74	0.57	-	-	0.19	0.57
Balance Payables at 31st March, 2021						
Oricon Enterprises Ltd - Interest Payable	-	-	-	1.93	-	1.93
Oricon Enterprises Limited - Trade Payable	-	-	470.92	321.83	470.92	321.83
Oricon Enterprises Limited - Loan	-	-	-	1,373.97	-	1,373.97
Surendra Somani	59.50	319.50	7.00	-	66.50	319.50
Balance Receivable as at 31st March, 2021						
Kopran Laboratories Limited	-	-	-	38.46	-	38.46
Total	59.50	319.50	477.92	1,659.27	537.42	2,017.23

The sitting fees paid to non - executive directors is ₹ 5.39 Lakhs (31st March, 2020 ₹ 5.55 Lakhs).

Notes to Consolidated Financial Statements

for the year ended 31st March, 2021 (Contd.)

43. DISCLOSURES PURSUANT TO IND AS 108 "SEGMENT REPORTING"

The Chief Operating Decision Maker ("CODM") evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by reportable segments. The Group's reportable segments are as follows:

The Company is primarily engaged in the business of manufacturing of "Formulation (Finished Dosage Form) and Active Pharmaceutical Ingredients (API)" i.e., "Pharmaceuticals" which in the context of Ind AS 108 on "Operating Segments" constitutes a single reportable segment and hence no separate financial disclosures provided in respect of its single business segment.

a) Information about products

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
Bulk Drugs	27,642.54	18,375.55
Tablet / Capsules / Liquids	20,419.35	16,479.10
Others	86.75	185.27
Total	48,148.64	35,039.92

b) Information about geographical areas:

The management also evaluates the Group's revenue performance based on geographical segments. The Group's geographical segments are as follows:

(i) Revenue from operations

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
India	8,613.26	8,577.97
South Africa	6,313.24	7,762.45
Ethiopia	6,111.29	2,927.31
United Kingdom	1,420.88	-
Tanzania	1,854.12	-
Zambia	480.38	1,685.67
Egypt	-	1,616.34
Jordan	2,192.34	1,058.71
Mexico	3,872.39	-
Switzerland	1,854.98	-
Germany	1,209.59	-
Rest of World	14,226.16	12,321.49
Total	48,148.63	35,949.94

(ii) Non - current assets

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
India	15,851.67	14,391.92
Hong Kong	7.40	9.55
Total	15,859.07	14,401.47

Notes to Consolidated Financial Statements

for the year ended 31st March, 2021 (Contd.)

c) Information about major customers

Revenues from one of the customers of the Company were approximately ₹ 3,650.95 Lakhs representing approximately 7.58% of the Company's total revenue from operations from sale of products, for the year ended 31st March, 2021.

Revenues from one of the customers of the Company were approximately ₹ 4,121.17 Lakhs representing approximately 11.76% of the Company's total revenue from operations from sale of products, for the year ended 31st March, 2020.

The reportable segments derives their revenues from the sale of pharmaceuticals products. The CODM reviews revenue as the performance indicator. The measurement of each segment's revenues, expenses and assets is consistent with the accounting policies that are used in preparation of the Group's consolidated financial statements.

44. DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES (MSME)

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
(a) The principal amount remaining unpaid to any supplier at the end of each accounting year.	127.26	133.31
(b) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year.	-	-
(c) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day.	-	-
(d) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
(e) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Dues to micro, small and medium enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.

45. DISCLOSURES PURSUANT TO IND AS17 "LEASES"

a) The Company has taken office premises under operating lease.

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
Lease payments in respect of such lease recognised in statement of profit and loss account	240.00	240.00

Notes to Consolidated Financial Statements

for the year ended 31st March, 2021 (Contd.)

b) Total of future minimum lease payments in respect of such non cancellable operating lease are as follows:

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
Not later than one year	180.00	180.00
Later than one year and not later than five years	-	-
Later than five years	-	-

46. PAYMENTS TO THE AUDITOR (EXCLUDING GOODS AND SERVICE TAX)

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
As Statutory Auditor		
Audit Fees	12.22	10.83
Tax Audit Fees	3.00	3.00
Other Matters	0.12	0.03
Out of Pocket expenses	-	0.01
Total	15.34	13.87

47. In the opinion of the board, current assets and loans and advances are approximately of the value stated if realised in the ordinary course of business. The provision for all known and determined liabilities are adequate and not in excess of the amounts reasonably required. The Balances of few creditors are subject to their confirmation.

48. CURRENT TAX AND DEFERRED TAX

a) Income Tax Expense recognised in statement of profit and loss

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
Current Tax		
Current Income Tax Charge	1,830.37	522.33
Adjustments in respect of prior years	-	20.38
Total	1,830.37	542.71

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
Deferred Tax		
In respect of current year	342.61	183.63
Total	342.61	183.63
Total tax expense recognised in Statement of Profit and Loss	2,172.98	726.34

b) Income Tax recognised in Other Comprehensive Income

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
Deferred Tax (Liabilities) / Assets		
Net changes in Fair value of investments in equity shares carried at fair value through OCI	(0.42)	-
Remeasurement of Defined Benefit Obligations	(10.58)	(0.47)
Total	(11.00)	(0.47)

Notes to Consolidated Financial Statements

for the year ended 31st March, 2021 (Contd.)

c) Reconciliation of income tax expense and the accounting profit multiplied by Company's domestic tax rate

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
Net profit as per Statement of Profit and Loss Account (before tax)	8,333.60	2,828.36
Corporate Tax Rate as per Income tax Act, 1961		
Tax on Accounting Profit	2,179.50	723.58
Tax difference on account of:		
Expenses not allowable under the Income tax Act, 1961	228.68	268.35
Timing Differences - Deferred tax assets	(3.69)	183.63
Expenses allowable under the Income tax Act, 1961	(231.51)	(315.69)
MAT Credit Utilisation	-	(151.75)
Taxation adjustment of earlier years	-	20.38
Rounding off tax differences	-	(2.16)
Income tax expense recognised in profit and loss	2,172.98	726.34

(d) Movement of Deferred Tax

Deferred tax assets / (liabilities) in relation to the year ended 31st March, 2021

Particulars	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
Relating to depreciation on fixed assets	(831.44)	(13.31)	-	(844.76)
Provision for gratuity	168.99	19.75	(10.57)	178.16
Provision for leave encashment	48.40	(0.88)	-	47.52
Provision for expected credit loss	20.68	(4.18)	-	16.50
Provision for Bonus	8.95	1.28	-	10.23
Provision for export benefit obligation	4.74	0.44	-	5.18
Provision for impairment in value of investments	-	0.58	-	0.58
Fair value of equity instruments through OCI	0.07	-	(0.43)	(0.36)
MAT Credit Entitlement	434.48	(346.28)	-	88.20
Net Deferred Tax Assets	(145.13)	(342.61)	(11.00)	(498.75)

Deferred tax assets / (liabilities) in relation to the year ended 31st March, 2020

Particulars	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Offset against Current tax liability	Closing Balance
Relating to depreciation on fixed assets	(779.50)	(51.94)	-	-	(831.44)
Provision for gratuity	152.75	16.71	(0.47)	-	168.99
Provision for leave encashment	45.62	2.77	-	-	48.40
Provision for expected credit loss	18.68	2.00	-	-	20.68
Provision for Bonus	8.93	0.02	-	-	8.95
Provision for export benefit obligation	6.20	(1.46)	-	-	4.74
Fair value of equity instruments through OCI	0.07	-	-	-	0.07
MAT Credit Entitlement	683.53	(151.75)	-	(97.30)	434.48
Net Deferred Tax Assets	136.28	(183.65)	(0.47)	(97.30)	(145.13)

Notes to Consolidated Financial Statements

for the year ended 31st March, 2021 (Contd.)

49. DETAILS OF LOANS GIVEN, COVERED U/S 186 (4) OF THE COMPANIES ACT, 2013 AND DISCLOSURE PURSUANT TO CLAUSE 34 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
Corporate Guarantee given		
For loans sanctioned to Kopran Research Laboratories Limited	6,250.00	6,250.00
For loans sanctioned to Kopran Limited	3,600.00	3,600.00

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Contingent liability of above (to the extent amount utilised)		
For loans sanctioned to Kopran Research Laboratories Limited	2,950.65	4,420.22
For loans sanctioned to Kopran Limited	1,632.17	1,432.24

50. a) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- b) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
51. The figures for the comparative year / periods have been regrouped wherever necessary, to conform to the current year's classification.

52. FINANCIAL INSTRUMENTS

i. Financial Instruments by Category

(₹ in Lakhs)

Particulars	As at 31 st March, 2021			As at 31 st March, 2020		
	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI	Amortized Cost
Financial Assets						
Non - current financial assets - Investment	-	4.11	0.40	-	1.90	0.40
Non - current financial assets - Loans receivables	-	-	379.81	-	-	357.23
Current financial assets - Trade receivables	-	-	12,007.85	-	-	9,281.12
Current financial assets - Cash and cash equivalents	-	-	93.53	-	-	83.45
Current financial assets - Bank Balances other than cash and cash equivalents	-	-	596.28	-	-	391.16
Current financial assets - Loans receivables	-	-	46.93	-	-	87.45
Current financial assets - Others	-	-	6.92	-	-	5.32
Derivatives designated as hedges - Foreign currency forward contracts	324.84	-	-	-	-	-
Total	324.84	4.11	13,131.72	-	1.90	10,206.13

Notes to Consolidated Financial Statements

for the year ended 31st March, 2021 (Contd.)

(₹ in Lakhs)

Particulars	As at 31st March, 2021			As at 31st March, 2020		
	FVTPL	FVTOCI	Amortized Cost	FVTPL	FVTOCI	Amortized Cost
Financial Liabilities						
Non - current financial liabilities - Borrowings	-	-	2,121.22	-	-	3,182.77
Current financial liabilities - Borrowings	-	-	4,308.27	-	-	4,623.42
Current financial liabilities - Trade payables	-	-	8,591.47	-	-	5,474.31
Current financial liabilities - Other	-	-	2,547.82	-	-	2,456.33
Derivatives designated as hedges - Foreign currency forward contracts	-	-	-	603.75	-	-
Total	-	-	17,568.78	603.75	-	15,736.83

ii. Fair Value Measurements

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Company has established the fair value hierarchy that categorises the values into 3 levels. For the inputs to valuation techniques used to measure fair value of financial instruments refer Note No. 2.3(b)

Assets and liabilities measured at fair value:

(₹ in Lakhs)

Particulars	As at 31st March, 2021			As at 31st March, 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets						
Financial Investments which are measured at FVTPL						
Investments	-	-	-	-	-	-
Financial Investments which are measured at FVTOCI						
Investments	4.11	-	-	1.90	-	-
Derivatives designated as hedges						
Foreign exchange forward contracts	-	324.84	-	-	-	-
Financial Assets which are measured at Amortized Cost						
Non - current financial assets - Investment	-	0.40	-	-	0.40	-
Non - current financial assets - Loans receivables	-	379.81	-	-	357.23	-
Current financial assets - Trade receivables	-	12,007.85	-	-	9,281.12	-
Current financial assets - Cash and cash equivalents	-	93.53	-	-	83.45	-
Current financial assets - Bank Balances other than cash and cash equivalents	-	596.28	-	-	391.16	-
Current financial assets - Loans receivables	-	46.93	-	-	87.45	-
Current financial assets - Others	-	6.92	-	-	5.32	-
Total Financial Assets	4.11	13,456.56	-	1.90	10,206.13	-

Notes to Consolidated Financial Statements

for the year ended 31st March, 2021 (Contd.)

(₹ in Lakhs)

Particulars	As at 31 st March, 2021			As at 31 st March, 2020		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Liabilities						
Financial Liabilities which are measured at FVTPL						
Non - current financial liabilities - Borrowings	-	-	-	-	-	-
Derivatives designated as hedges						
Foreign exchange forward contracts	-	-	-	-	603.75	-
Financial Liabilities which are measured at Amortized Cost						
Non - current financial liabilities - Borrowings	-	2,121.22	-	-	3,182.77	-
Current financial liabilities - Borrowings	-	4,308.27	-	-	4,623.42	-
Current financial liabilities - Trade payables	-	8,591.47	-	-	5,474.31	-
Current financial liabilities - Other	-	2,547.82	-	-	2,456.33	-
Total Financial Liabilities	-	17,568.78	-	-	16,340.58	-

Notes:

There have been no transfers among Level 1, Level 2 and Level 3 during the period.

Financial Instrument measured at Amortised Cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Management does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

53. DISCLOSURES PURSUANT TO IND AS 1 "PRESENTATION OF FINANCIAL STATEMENTS" - CAPITAL MANAGEMENT

Capital includes issued equity capital and share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value.

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Non - current financial liabilities - Borrowings	2,121.22	3,182.77
Current financial liabilities - Borrowings	4,308.27	4,623.42
Current financial liabilities - Other - Current maturities of long - term debt	200.67	1,021.31
Less : cash and cash equivalents	(93.53)	(83.45)
Net debt (A)	6,536.63	8,744.05
Total Equity	24,503.04	18,968.01
Total Capital (B)	24,503.04	18,968.01
Capital and Net Debt C = (A) + (B)	31,039.67	27,712.06
Gearing Ratio (A) / (C)	0.21	0.32

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations. The company monitors capital using gearing ratio, which is total debt divided by total capital plus debt.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2021 (Contd.)

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31st March, 2021 and 31st March, 2020.

54. DISCLOSURES PURSUANT TO IND AS 107 "FINANCIAL INSTRUMENTS DISCLOSURES" - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company's business activities expose it to a variety of financial risks, namely market risks, credit risk and liquidity risk. The Company's senior management has the overall responsibility for the establishment and oversight of the Company's risk management framework. The top management is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

a) Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, borrowings, foreign currency receivables and payables.

i) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates to the Company's long-term debt as well as short-term obligations with floating interest rates.

In order to manage it, the Company diversifies its portfolio in accordance with the limits set by the risk management policies.

As an estimation of the approximate impact of the interest rate risk, with respect to financial instruments, the Company has calculated the impact of a 1% change in interest rates. A 1% decrease in interest rates would have led to approximately an additional ₹ 65.64 Lakhs gain for year ended 31st March, 2021 (₹ 85.01 Lakhs gain for year ended 31st March, 2020) in Interest expenses. A 1% increase in interest rates would have led to an equal but opposite effect.

Interest rate sensitivity has been calculated assuming the borrowings outstanding at the reporting date have been outstanding for the entire reporting.

ii) Foreign Currency Risk

Foreign currency risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the borrowings, import of raw materials, exports of Formulations and the Company's net investments in foreign subsidiaries.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure.

The Company evaluates exchange rate exposure arising from foreign currency transactions. The Company

Notes to Consolidated Financial Statements

for the year ended 31st March, 2021 (Contd.)

follows established risk management policies. It uses derivative instruments like foreign currency forwards to hedge exposure to foreign currency risk.

Outstanding foreign currency exposure:

(₹ in Lakhs)

Name of Shareholder	As at 31 st March, 2021		As at 31 st March, 2020	
	Foreign Currency Amount	Amount in ₹	Foreign Currency Amount	Amount in ₹
Receivables				
USD	125.11	9,147.68	84.83	6,419.00
EURO	1.40	120.29	1.11	91.33
GBP	2.48	250.44	1.56	146.31
Foreign Currency Bank Account				
USD	0.02	1.37	0.02	1.48
Payables				
USD	99.53	7,277.41	62.18	4,705.33
GBP	0.16	14.14	0.06	5.33
EURO	1.42	143.15	0.78	73.54
Borrowings				
USD	28.48	2,082.80	18.84	1,425.86

Foreign exchange risk sensitivity:

As an estimation of the approximate impact of the interest rate risk, with respect to financial instruments, the Company has calculated the impact of a 1% change in interest rates. A 1% increase in interest rates would have led to approximately an additional ₹ 0.02 Lakhs net gain for year ended 31st March, 2021 (₹ 4.50 Lakhs net gain for year ended 31st March, 2020) in Interest expenses. A 1% decrease in interest rates would have led to an equal but opposite effect.

Forward Exchange Contracts:

Derivatives for hedging currency, outstanding are as under:

(₹ in Lakhs)

Particulars	Purpose	Currency	As at	As at
			31 st March, 2021	31 st March, 2020
Foreign currency forward contracts	Exports	USD	187.50	212.04
Forward contract value	Exports	₹	14,501.21	15,711.07
Foreign currency forward contracts	Imports	USD	-	-
Forward contract value	Imports	₹	-	-

iii) Other Price Risk

Other price risk

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. Other price risk arises from financial assets such as investments in equity instruments. The Company is exposed to price risk arising mainly from investments in equity instruments recognised at FVTOCI. As at 31st March, 2021, the carrying value of such equity instruments recognised at FVTOCI amounts to ₹ 4.11 Lakhs (31st March, 2020 ₹ 1.90 Lakhs). The details of such investments in equity instruments are given in Note 6(a) and 6(b).

The Company is mainly exposed to change in market rates of its investments in equity investments recognised at FVTOCI. A sensitivity analysis demonstrating the impact of change in market prices of these instruments from the prices existing as at the reporting date is given below:

Notes to Consolidated Financial Statements

for the year ended 31st March, 2021 (Contd.)

If the equity prices had been higher / lower by 10% from the market prices existing as at 31st March, 2021, Other Comprehensive Income for the year ended 31st March, 2020 would increase / decrease by ₹ Nil Lakhs (31st March, 2020 ₹ Nil Lakhs) with a corresponding increase/decrease in Total Equity of the Company as at 31st March, 2021. 10% represents management's assessment of reasonably possible change in equity prices.

b) Credit Risk

Credit risk arises when a customer or counterparty does not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing / investing activities, including deposits with banks, foreign exchange transactions and financial guarantees. The Company has no significant concentration of credit risk with any counterparty.

Trade receivables:

Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/ modified.

Total Trade receivable as on 31st March, 2021 is ₹ 12,007.85 Lakhs (31st March, 2020 ₹ 9,281.12 Lakhs). The average credit period on sale of goods is 90 to 180 days. No interest is charges on trade receivables.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on exchange losses historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

The Company has used expected credit loss (ECL) model for assessing the impairment loss. For the purpose, the Company uses a provision matrix to compute the expected credit loss amount. The provision matrix takes into account external and internal risk factors and historical data of credit losses from various customers.

Movement in the expected credit loss allowance on trade receivables

(₹ in Lakhs)

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Balance at the beginning of the year	88.02	78.56
Addition	(16.41)	9.46
Write - offs	(11.40)	-
Recoveries	-	-
Balance at the end of the year	60.21	88.02

c) Liquidity Risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions. The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows as at the Balance Sheet date.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2021 (Contd.)

Particulars	Carrying amount	Less than 12 months	More than 12 months	Total
As at 31st March, 2021				
Non - current financial liabilities - Borrowings	2,121.22	-	2,121.22	2,121.22
Current financial liabilities - Borrowings	4,308.27	4,308.27	-	4,308.27
Current financial liabilities - Trade payables	8,591.47	8,591.47	-	8,591.47
Current financial liabilities - Other	2,547.82	2,547.82	-	2,547.82
As at 31st March, 2020				
Non - current financial liabilities - Borrowings	3,182.77	-	3,182.77	3,182.77
Current financial liabilities - Borrowings	4,623.42	4,623.42	-	4,623.42
Current financial liabilities - Trade payables	5,474.31	5,474.31	-	5,474.31
Current financial liabilities - Other	2,456.33	2,456.33	-	2,456.33

55. CORPORATE SOCIAL RESPONSIBILITY

As per section 135 of the Companies Act, 2013, amount required to be spent by the Company during the year ended 31st March, 2021 and 2020 is ₹ 25.45 Lakhs and ₹ 20.61 Lakhs, respectively, computed at 2% of its average net profit for the immediately preceding three financial years, on Corporate Social Responsibility (CSR). The Company incurred an amount of ₹ 44.41 Lakhs and ₹ 1.00 Lakhs during the year ended 31st March, 2021 and 2020, respectively, towards CSR expenditure for purposes other than construction / acquisition of any asset.

56. DISAGGREGATION OF REVENUE

The operations of the Group are limited to only one segment viz. pharmaceuticals and related products. Revenue from contract with customers is from sale of manufactured goods and rendering of research services. Sale of goods are made at a point in time and revenue is recognised upon satisfaction of the performance obligations which is typically upon dispatch / delivery. The Group has a credit evaluation policy based on which the credit limits for the trade receivables are established. There is no significant financing component as the credit period provided by the Group is not significant.

Primary Geographical Markets

Refer note no. 43(b)(i) for detailed disclosure

Contract balances

(₹ in Lakhs)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Trade Receivables	12,007.85	9,281.12

The average credit period on sale of goods is 90 to 180 days. No interest is charged on trade receivables.

Notes to Consolidated Financial Statements

for the year ended 31st March, 2021 (Contd.)

Reconciliation of revenue from sale of products as recognised in the Statement of Profit and Loss with the contracted price:

(₹ in Lakhs)

Particulars	Year Ended 31 st March, 2021	Year Ended 31 st March, 2020
Revenue as per contracted price	49,079.78	35,244.17
Less:		
Sales return	869.88	204.25
Discount	61.26	-
Revenue as per the Statement of Profit and Loss	48,148.64	35,039.92

Disaggregated revenue recognised in the Statement of Profit and Loss:

Refer note no. 43(a) for detailed disclosure

Information about major customers:

Refer note no. 43(c) for detailed disclosure

57. The Code on Social Security, 2020 (Code) relating to employee benefits during employment and post-employment benefits has received Presidential assent on 28th September 2020. The Code has been published in the Gazette of India. However, the date on which the Code comes into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

58. The Company has taken into account all the possible impacts of COVID-19 in preparation of these standalone financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition and impact on leases. The Company has carried out this assessment based on available internal and external sources of information up to the date of approval of these standalone financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the standalone financial statements may differ from that estimated as at the date of approval of these standalone financial statements owing to the nature and duration of COVID-19.

59. DETAILS OF SUBSIDIARIES

The subsidiary Companies Considered in the consolidated Financial Statements are:

Name of the Company	Country of Incorporation	% of holding as at 31 st March, 2021	% of holding as at 31 st March, 2020	Accounting Period
a) Kopran Research Laboratories Limited	India	100%	100%	01 st April, 2020 to 31 st March, 2021
b) Kopran Lifesciences Limited	India	100%	100%	01 st April, 2020 to 31 st March, 2021
c) Kopran (H. K.) Limited	Hongkong	100%	100%	01 st April, 2020 to 31 st March, 2021
d) Kopran (UK) Limited	United Kingdom	100%	100%	01 st April, 2020 to 31 st March, 2021

Notes to Consolidated Financial Statements

for the year ended 31st March, 2021 (Contd.)

60. STATEMENT OF NET ASSETS, PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME ATTRIBUTABLE TO OWNERS AND NON-CONTROLLING INTERESTS

(₹ in Lakhs)

Particulars	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Holding Company								
Kopran Limited	58.53	24,686.15	39.95	2,348.56	61.62	17.69	40.05	2,366.25
Indian Subsidiaries								
Kopran Research Laboratories Limited	40.93	17,264.31	60.14	3,535.84	38.38	11.02	60.03	3,546.86
Kopran Lifesciences Limited	0.01	3.64	-	(0.07)	-	-	-	(0.07)
Foreign Subsidiaries								
Kopran (H. K.) Limited	0.51	213.74	(0.06)	(3.57)	-	-	(0.06)	(3.57)
Kopran (UK) Limited	0.02	7.71	(0.02)	(1.33)	-	-	(0.02)	(1.33)
Total before consolidation adjustments	100.00	42,175.55	100.01	5,879.43	100.00	28.71	100.00	5,908.14
Adjustment arising out of consolidation		17,672.51		(281.19)		5.94		(275.25)
Total after consolidation adjustments		24,503.04		6,160.62		22.77		6,183.39

As per our report of even date

For **Khandelwal Jain & Co**
Chartered Accountants
Firm Registration No: - 105049W

S. S. SHAH
Partner
Membership No.: 033632

Place : Mumbai
Date : 27th May, 2021

For and on behalf of the Board of Directors

SURENDRA SOMANI
Executive Vice Chairman
DIN: 00600860

B. K. SONI
Chief Financial Officer

SUSHEEL SOMANI
Director
DIN: 00601727

SUNIL SODHANI
Company Secretary



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