

Independent Auditor's Report

To the Members of
Kopran Research Laboratories Limited

Report on the Financial Statements

We have audited the accompanying standalone financial statements of **Kopran Research Laboratories Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including other comprehensive income), the statement of changes in equity and the statement of Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("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 the equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes 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 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the

Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements.

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government 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.
2. As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rule issued thereunder;
 - e. On the basis of written representations received from the Directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure-B"; and

- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us:
- i. The company has disclosed the impact of pending litigations on its financial position in its 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.
 - iii. There were no amounts, which were required to be transferred, to the Investor Education and Protection Fund by the Company.

For **NGS & Co. LLP**,
Chartered Accountants
Firm Registration Number: 119850W

Ganesh Toshniwal
Partner
Membership Number: 046669
Mumbai
June 29, 2020
UDIN: 20046669AAAADT1047

Annexure A to the Independent Auditor's Report

(Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date)

- i.
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. According to the information and explanations given to us, the Fixed Assets have been physically verified by the management during the year, no material discrepancies were noticed on such verification with book records. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and 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 deed of immovable properties are held in the name of the company.
- ii. The management has conducted physical verification of inventory at regular intervals during the year. In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between physical stocks and the book records were not material having regard to the size of the operations of the company.
- iii. Based on the audit procedure and according to information and explanations given to us, the Company has not granted any loan secured or unsecured to the companies, firm, or other parties covered in the register maintained under section 189 of the Act. Therefore, paragraph 3 (iii) of the order is not applicable.
- 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 information and explanations given to us, the Company has not accepted any deposits from public within the meaning of Section 73 to 76 of the Act and Rules framed thereunder to the extent notified. Therefore, paragraph 3(v) of the order is not applicable.
- vi. We have broadly reviewed the books of accounts maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Act in respect of Company's products and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have 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, in our opinion, the Company is generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
- b. According to the information and explanations given to us, there were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
- c. Details of dues of Service Tax and Excise Duty which have not been deposited as at March 31, 2020 on account of dispute are given below:

Name of the Statute	Nature of the dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	313,527	2012-13	Joint Secretary of Government of India Ministry of Finance
Central Excise Act, 1944	Excise Duty	1,502,439	2012-13	Commissioner of Central Excise
Finance Act, 1994	Service tax	340,463	2015-16	Central Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Excise Rebate	186,371	2016-17	Principal Commissioner (RA)

- 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. The Company has not taken any loans from Government or any Financial Institution and debenture holders.
- ix. Based on our audit procedure and on the basis information and explanation given by the management, we are of the opinion that money raised by company by way of term loan have been applied for the purpose for which they were raised. The company did not raise any money by way of Initial Public offer or further public offer.
- x. According to the information and explanations given to us, no material fraud by the company or on the Company by its officer or employees has been noticed or reported during the course of our audit.
- 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. Therefore, paragraph 3(xii) of the order is not applicable.

- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details have been disclosed in the Financial Statements as required by the applicable accounting standard.
- xiv. According to the information and explanations given to us and based on our examination of the records, Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Therefore, paragraph 3(xiv) of the order is not applicable.
- xv. According to the information and explanations given to us and based on our examination of the records, Company has not entered into any non-cash transactions with the directors or persons connected with him. Therefore, paragraph 3(xv) of the order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For NGS & Co. LLP,
Chartered Accountants
Firm Registration Number: 119850W

Ganesh Toshniwal
Partner
Membership Number: 046669
Mumbai
June 29, 2020
UDIN: 20046669AAAADT1047

Annexure – B to the Auditor’s Report

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

We have audited the internal financial controls over financial reporting of **Kopran Research Laboratories Limited** (“the Company”) as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control 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 Controls over Financial Reporting 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 company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 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 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 judgments, 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 have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, 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 Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **NGS & Co. LLP**,
Chartered Accountants
Firm Registration Number: 119850W

Ganesh Toshniwal

Partner
Membership Number: 046669
Mumbai
June 29, 2020
UDIN: 20046669AAAADT1047

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
ASSETS			
1. Non-Current Assets			
Property, Plant and Equipment	4	82,87,44,528	88,09,76,569
Capital Work-in-Progress		20,92,99,019	16,20,71,347
Intangible Assets	5	10,76,138	36,84,034
Intangible Assets under Development		2,24,22,671	1,33,33,106
Financial Assets			
Investments	6	8,87,325	-
Other financial assets	7	67,00,508	59,86,008
Other Non Current Assets	8	7,77,39,900	8,03,59,677
Total Non-Current Assets		1,14,68,70,089	1,14,64,10,741
2. Current Assets			
Inventories	9	47,32,55,226	48,25,67,431
Financial Assets			
Trade Receivables	10	50,68,86,235	51,32,67,273
Cash and Cash Equivalents	11	1,73,676	2,16,127
Other Bank Balances	12	2,96,68,250	2,70,03,225
Loans	13	9,13,78,258	-
Other financial assets	14	7,62,900	48,04,617
Other Current Assets	15	7,03,65,987	7,42,61,921
Total Current Assets		1,17,24,90,533	1,10,21,20,594
Total Assets		2,31,93,60,622	2,24,85,31,335
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	16	20,00,00,000	20,00,00,000
Other Equity	17	1,16,56,52,852	1,09,18,87,065
Total Equity		1,36,56,52,852	1,29,18,87,065
Liabilities			
1. Non-Current Liabilities			
Financial Liabilities			
Non Current Borrowings	18	22,15,99,631	19,40,94,205
Provisions	19	3,32,04,074	2,81,10,499
Deferred Tax Liabilities (Net)	20	2,68,68,871	1,58,96,634
Total Non-Current Liabilities		28,16,72,576	23,81,01,338
2. Current Liabilities			
Financial Liabilities			
Current Borrowings	21	28,71,91,714	27,54,36,122
Trade Payables	22		
(a) Micro and Small Enterprises		-	15,71,249
(b) Others		25,40,67,760	29,58,97,129
Other Financial Liabilities	23	7,45,96,106	9,23,20,651
Other Current Liabilities	24	5,37,67,899	3,47,15,226
Provisions	25	5,66,392	5,20,462
Current Tax Liabilities (Net)	26	18,45,322	1,80,82,094
Total Current Liabilities		67,20,35,193	71,85,42,932
Total Equity and Liabilities		2,31,93,60,622	2,24,85,31,335

See accompanying notes forming part of financial statements.

As per our report of even date attached
For **NGS & Co. LLP**
Chartered Accountants
Firm Regn. No. 119850W

For and on behalf of Board of Directors
Kopran Research Laboratories Limited

Ganesh Toshniwal
Partner
M.No. 046669
Mumbai
June 29, 2020

Chandra M. Singhi
Director
DIN : 01793293

Rakesh Doshi
Director
DIN : 00359832

K.B. Shetty
Chief Financial Officer

Ahren Rodrigues
Company Secretary

KOPRAN RESEARCH LABORATORIES LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

(Amount In Rs.)

Particulars	Note No.	Year Ended March 31, 2020	Year Ended March 31, 2019
INCOME			
Revenue From Operations	27	1,92,65,09,928	1,81,93,93,306
Other Income	28	64,08,078	2,26,39,081
Total Income		1,93,29,18,006	1,84,20,32,386
EXPENSES			
Cost of materials consumed	29	1,26,79,94,593	1,21,06,91,373
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade [(Increase)/ Decrease]	30	(5,47,85,020)	(9,73,71,451)
Employee Benefits Expense	31	16,83,04,855	16,72,28,749
Finance Costs	32	3,11,66,033	3,64,27,158
Depreciation and Amortization Expense	4&5	9,04,20,157	8,56,50,803
Other Expenses	33	32,88,62,591	32,67,56,750
Total Expenses		1,83,19,63,209	1,72,93,83,381
Profit Before Exceptional Items and Tax		10,09,54,797	11,26,49,005
Exceptional items			
(1) Central Excise / Service Tax of earlier years		55,41,648	-
Profit before Tax		9,54,13,149	11,26,49,005
Tax Expense			
(1) Current Tax		2,42,63,757	1,80,82,094
(2) Deferred Tax		12,42,438	1,44,47,811
(3) Taxation adjustment of earlier years		20,37,506	-
		2,75,43,700	3,25,29,904
Profit For The Year		6,78,69,449	8,01,19,101
Other Comprehensive Income /(Loss)			
Items that will not be reclassified subsequently to Profit and Loss			
Remeasurement of Defined benefit Liability.		(3,53,662)	(10,93,780)
Other Comprehensive Income/(Loss) for the year		(3,53,662)	(10,93,780)
Total Comprehensive Income for the year		6,75,15,787	7,90,25,321
Earnings Per Equity Share of Face Value of ₹ 10/- each			
Basic and Diluted		3.39	4.01

See accompanying notes Forming part of the financial statements.

As per our report of even date attached
For **NGS & Co. LLP**
Chartered Accountants
Firm Regn. No. 119850W

Ganesh Toshniwal
Partner
M.No. 046669
Mumbai
June 29, 2020

For and on behalf of Board of Directors
Kopran Research Laboratories Limited

Chandra M. Singhi
Director
DIN : 01793293

Rakesh Doshi
Director
DIN : 00359832

K.B. Shetty
Chief Financial Officer

Ahren Rodrigues
Company Secretary

KOPRAN RESEARCH LABORATORIES LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2020

(Amount In Rs.)

A) Equity Share Capital (Refer Note 16)

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the reporting year	2,00,00,000	20,00,00,000	2,00,00,000	20,00,00,000
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the reporting year	2,00,00,000	20,00,00,000	2,00,00,000	20,00,00,000

B) Other Equity (Refer Note 17)

Particulars	Retained earnings			Other Comprehensive Income	Total
	Securities Premium Reserve	Capital Contribution from holding	Retained Earnings	Remeasurements of net defined benefit plans	
As at April 01, 2018	1,34,70,78,150	91,14,583	(35,00,12,365)	4,31,376	1,00,66,11,744
Profit for the year	-	-	8,01,19,101	-	8,01,19,101
Capital Contribution from holding	-	62,50,000	-	-	62,50,000
Other comprehensive income for the year	-	-	-	(10,93,780)	(10,93,780)
As at March 31, 2019	1,34,70,78,150	1,53,64,583	(26,98,93,264)	(6,62,404)	1,09,18,87,065
As at April 01, 2019	1,34,70,78,150	1,53,64,583	(26,98,93,264)	(6,62,404)	1,09,18,87,065
Profit for the year	-	-	6,78,69,449	-	6,78,69,449
Capital Contribution from holding	-	62,50,000	-	-	62,50,000
Other comprehensive income for the year	-	-	-	(3,53,662)	(3,53,662)
As at March 31, 2020	1,34,70,78,150	2,16,14,583	(20,20,23,815)	(10,16,066)	1,16,56,52,852

Nature and Purpose of Reserves:

a) Securities Premium Reserve

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

b) Capital Reserve

Nil

c) 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

See accompanying notes Forming part of the financial statements.

As per our report of even date attached
For **NGS & Co. LLP**
Chartered Accountants
Firm Regn. No. 119850W

For and on behalf of Board of Directors
Kopran Research Laboratories Limited

Chandra M. Singhi
Director
DIN : 01793293

Rakesh Doshi
Director
DIN : 00359832

Ganesh Toshniwal
Partner
M.No. 046669
Mumbai
June 29, 2020

K.B. Shetty
Chief Financial Officer

Ahren Rodrigues
Company Secretary

KOPRAN RESEARCH LABORATORIES LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020

(Amount In Rs.)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A. CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit Before Tax	9,54,13,149	11,26,49,005
Adjustments for:		
Depreciation and Amortization Expense.	9,04,20,157	8,56,50,803
Interest income	(47,36,346)	(30,71,709)
Defined benefit plan expense-Gratuity	(3,53,662)	(10,93,780)
Capital Contribution from Holding Company	62,50,000	62,50,000
Finance costs	3,11,66,033	3,64,27,158
Change in operating assets and liabilities:		
Increase / (Decrease) in Trade payables	(4,34,00,618)	(4,68,49,225)
Increase / (Decrease) in Short-term & Long-term provisions	51,39,505	49,37,342
Increase / (Decrease) in Other current liabilities	1,90,52,673	2,81,98,699
Increase / (Decrease) in Other Financial liabilities	(1,77,24,545)	4,75,97,616
(Increase) / Decrease in Trade receivables	63,81,038	(5,79,53,382)
(Increase) / Decrease in Inventories	93,12,205	(6,99,87,477)
(Increase) / Decrease in Other Financial Assets	33,27,217	30,72,693
(Increase) / Decrease in Other Current and Non-Current Assets	65,15,711	2,06,04,024
Cash generated from operations	20,67,62,518	16,64,31,768
Direct taxes paid (net of refund)	(3,28,08,235)	-
Net cash generated by operating activities	17,39,54,283	16,64,31,768
B. CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of tangible/ intangible assets (including capital work-in-progress & Capital Advance)	(9,18,97,457)	(25,52,70,011)
Investment in Subsidiary Company	(8,87,325)	
Loans Given	(9,13,78,258)	-
Interest received	47,36,346	30,71,709
Net cash used in investing activities	(17,94,26,694)	(25,21,98,302)
C. CASH FLOWS FROM FINANCING ACTIVITIES:		
Share issued During the year	-	-
Interest and financial charges paid	(3,11,66,033)	(3,64,27,158)
Proceeds / (Repayment) Non Current and Current borrowings (Net)	3,92,61,018	10,44,41,454
Net cash used in financing activities	80,94,985	6,80,14,296
Net decrease in cash and cash equivalents	26,22,574	(1,77,52,240)
Add: Cash and cash equivalents at the beginning of the year	2,72,19,352	4,49,71,592
Cash and cash equivalents at the end of the year	2,98,41,926	2,72,19,352
Cash and cash equivalents comprise of:		
Cash on Hand	20,748	1,44,773
Bank Balances:		
In Current Accounts	1,52,928	71,354
In Fixed Deposits with original maturity less than 3 months	2,96,68,250	2,70,03,225
Cash and cash equivalents at the end of the year	2,98,41,926	2,72,19,352

See the accompanying notes forming part of the financial Statements

In terms of our report attached

For **NGS & Co. LLP**

Chartered Accountants

Firm Regn. No. 119850W

Ganesh Toshniwal

Partner

M.No. 046669

Mumbai

June 29, 2020

For and on behalf of Board of Directors
Kopran Research Laboratories Limited

Chandra M. Singhi

Director

DIN : 01793293

Rakesh Doshi

Director

DIN : 00359832

K.B. Shetty

Chief Financial Officer

Ahren Rodrigues

Company Secretary

KOPRAN RESEARCH LABORATORIES LIMITED
Notes forming part of the standalone Financial Statements

1 Corporate Information

Kopran Research Laboratories Limited (KRLL) (“the Company”) is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The Company is engaged in the business of manufacturing of Active Pharmaceutical Ingredients (API)

The financial statements were authorised for issue by the board of directors on June 29, 2020.

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) and all values are rounded to the nearest rupee 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

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- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

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

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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.

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.

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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 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.

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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.

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 and product development cost is amortized on a straight line basis over the useful life of five years which is estimated by the management.

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.

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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 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.

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(i) Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties including taxes. Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was insignificant.

The following are the specific revenue recognition criteria:

Revenue from sale of goods is recognized when all the significant risk and rewards of ownership of the goods have been passed to the buyer.

Revenue from services are recognised as they are rendered based on agreements/ arrangements with the concerned parties.

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due)

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Assets and liabilities arising from rights of return

Right of return assets

Right of return asset represents the Company's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Company updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products. This is disclosed along with inventories.

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Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

Interest income

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

Dividend income

Revenue 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 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.

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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
- 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.

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(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.

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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.

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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 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

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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 air 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 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.

(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.

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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.

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.

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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 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.

KOPRAN RESEARCH LABORATORIES LIMITED
Notes forming part of the standalone Financial Statements

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 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.

KOPRAN RESEARCH LABORATORIES LIMITED
Notes forming part of the standalone Financial Statements

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.

KOPRAN RESEARCH LABORATORIES LIMITED
Notes forming part of the standalone Financial Statements

(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 Indian Accounting Standards / Pronouncements

Ministry of Corporate Affairs notifies new standards or amendments to existing standards. There is no such notification which would be applicable from April 01, 2020.

KOPRAN RESEARCH LABORATORIES LIMITED

Notes forming part of the standalone Financial Statements

(Amount In Rs.)

4. Property, Plant and Equipment

	Office equipment	Office Building	Computer	Plant and Equipment	R & D Equipment	Furniture and Fixture	Vehicle	Total
Cost								
As at April 1, 2018	3,55,613	13,01,88,162	9,12,921	88,30,35,425	4,08,783	36,72,634	30,26,581	1,02,16,00,120
Additions	97,400	4,56,26,152	24,89,631	4,95,28,831	-	7,76,624	6,75,348	9,91,93,986
Disposals/Transfer								
As at March 31, 2019	4,53,013	17,58,14,314	34,02,552	93,25,64,256	4,08,783	44,49,258	37,01,929	1,12,07,94,106
Additions			12,52,296	3,43,03,772		24,152		3,55,80,220
Disposals/Transfer								
As at Mar 31, 2020	4,53,013	17,58,14,314	46,54,848	96,68,68,028	4,08,783	44,73,410	37,01,929	1,15,63,74,325
Accumulated Depreciation								
As At April 1, 2018	57,646	81,18,901	3,59,874	14,67,26,273	84,654	10,25,555	2,96,401	15,66,69,304
Depreciation	67,247	46,63,042	6,53,784	7,67,87,755	20,107	5,75,564	3,80,733	8,31,48,232
Adjusted during the year								
As at March 31, 2019	1,24,893	1,27,81,943	10,13,658	22,35,14,028	1,04,761	16,01,119	6,77,134	23,98,17,536
Depreciation	84,899	57,15,533	11,54,818	7,96,88,197	63,107	6,12,636	4,93,071	8,78,12,261
Adjusted during the year								
As at Mar 31, 2020	2,09,792	1,84,97,476	21,68,476	30,32,02,225	1,67,868	22,13,755	11,70,205	32,76,29,797
Net Book Value								
As at Mar 31, 2020	2,43,222	15,73,16,838	24,86,372	66,36,65,803	2,40,915	22,59,655	25,31,724	82,87,44,528
As at March 31, 2019	3,28,120	16,30,32,371	23,88,894	70,90,50,228	3,04,022	28,48,139	30,24,795	88,09,76,569
As at March 31, 2018	2,97,967	12,20,69,261	5,53,047	73,63,09,152	3,24,129	26,47,079	27,30,180	86,49,30,816

KOPRAN RESEARCH LABORATORIES LIMITED

Notes forming part of the standalone Financial Statements

(Amount In Rs.)

5. Intangible Assets

	Product Development Cost	Goodwill	Total
Cost			
As at April 1, 2018	-	92,36,278	92,36,278
Additions/Transfer	15,68,464	-	15,68,464
Disposals/Transfer	-	-	-
As at March 31, 2019	15,68,464	92,36,278	1,08,04,742
Additions/Transfer			-
Disposals/Transfer	-	-	-
As at Mar 31, 2020	15,68,464	92,36,278	1,08,04,742
As at April 1, 2018	-	46,18,138	46,18,138
Amortisation	1,93,501	23,09,069	25,02,570
Disposals/Transfer	-	-	-
As at March 31, 2019	1,93,501	69,27,207	71,20,708
Amortisation	2,98,825	23,09,071	26,07,896
Disposals/Transfer	-	-	-
As at Mar 31, 2020	4,92,326	92,36,278	97,28,604
Net Book Value			
As at Mar 31, 2020	10,76,138	-	10,76,138
As at March 31, 2019	13,74,963	23,09,071	36,84,034
As At March 31, 2018	-	46,18,140	46,18,140

KOPRAN RESEARCH LABORATORIES LIMITED
Notes forming part of the standalone Financial Statements
(Amount in Rs.)

6	Non-Current Investments	As at March 31, 2020	As at March 31, 2019
	Investments in Equity Instruments		
	Wholly owned subsidiary company (Unquoted) - (at cost)		
	10,000 shares, Face Value UK \$ 10 per share (March 31, 2019: Nil shares) of Kopran (UK) Limited, Hong Kong	8,87,325	
	Total	8,87,325	-
7	Other non current financial assets	As at March 31, 2020	As at March 31, 2019
	Unsecured, considered good		
	Security Deposits	67,00,508	59,86,008
	Total	67,00,508	59,86,008
8	Other non current assets	As at March 31, 2020	As at March 31, 2019
	Capital Advances	67,80,749	93,34,029
	Deduction of Income Tax	15,95,863	7,95,349
	Premium on Land under operating lease	6,89,27,151	6,99,12,655
	Prepaid expenses	4,36,137	3,17,644
	Total	7,77,39,900	8,03,59,677
9	Inventories	As at March 31, 2020	As at March 31, 2019
	(Valued at lower of cost or net realisable value)		
	Raw materials {Includes stocks in transit Rs. 38,33,641 (March 31, 2019: Rs. 1,45,76,820)}	13,16,61,043	20,03,97,199
	Work-in-Process	23,07,94,497	23,61,40,922
	Finished Goods	8,85,38,012	2,84,06,567
	Stores & Spares	1,65,50,447	1,22,29,159
	Packing Materials	57,11,227	53,93,584
	Total	47,32,55,226	48,25,67,431
10	Trade Receivables	As at March 31, 2020	As at March 31, 2019
	Unsecured, considered good		
	Receivable from other parties	48,82,93,294	51,32,67,273
	Receivable from related party	1,85,92,941	-
	Unsecured, considered doubtful		
	Less: Expected credit loss allowance	41,03,554 (41,03,554)	54,65,003 (54,65,003)
	Total	50,68,86,235	51,32,67,273
11	Cash and cash equivalents	As at March 31, 2020	As at March 31, 2019
	Cash on Hand	20,748	1,44,773
	Balances with banks		
	On Current Accounts	1,52,928	71,354
	Total	1,73,676	2,16,127

KOPRAN RESEARCH LABORATORIES LIMITED

Notes forming part of the standalone Financial Statements

(Amount in Rs.)

12	Bank Balances other than cash and cash equivalents	As at March 31, 2020	As at March 31, 2019
	Fixed deposits (Maturity of more than 3 months & less than 12 months) (Held as margin money or security against the guarantees)	2,96,68,250	2,70,03,225
	Total	2,96,68,250	2,70,03,225
13	Current Financial Assets-Loans	As at March 31, 2020	As at March 31, 2019
	Loan to Related Party	9,13,78,258	-
	Total	9,13,78,258	-
14	Current Financial Assets-Others	As at March 31, 2020	As at March 31, 2019
	Advance to Employees	7,62,900	9,24,500
	Foreign currency forward contracts	-	38,80,117
	Total	7,62,900	48,04,617
15	Other Current Assets	As at March 31, 2020	As at March 31, 2019
	Balance with statutory/ government authorities	6,12,11,427	6,90,85,491
	Prepaid Expenses	66,07,151	44,11,755
	Prepaid expense (Guarantee premium)	-	-
	Others	25,47,409	7,64,675
	Total	7,03,65,987	7,42,61,921

16 Equity Share Capital

	As at March 31, 2020		As at March 31, 2019	
	Number	Amount	Number	Amount
Authorised 2,00,00,000 (Previous Year: 2,00,00,000) Equity Shares of ₹ 10 each	2,00,00,000	20,00,00,000	2,00,00,000	20,00,00,000
	2,00,00,000	20,00,00,000	2,00,00,000	20,00,00,000
Issued, Subscribed and Paid up 2,00,00,000 (Previous Year: 2,00,00,000) Equity Shares of ₹ 10 each fully paid-up	2,00,00,000	20,00,00,000	2,00,00,000	20,00,00,000
	2,00,00,000	20,00,00,000.00	2,00,00,000	20,00,00,000.00

(i) Reconciliation of number of shares and amount outstanding at the beginning and at the end of the reporting period.

Particulars	Number	As at March 31, 2020	Number	As at March 31, 2019
Equity shares outstanding the beginning of the year	2,00,00,000	20,00,00,000	2,00,00,000	20,00,00,000
Equity shares issued during the year	-	-	-	-
Equity shares outstanding at the end of the year	2,00,00,000	20,00,00,000	2,00,00,000	20,00,00,000

(ii) Terms/Rights Attached to Equity Shares

As to voting The Company has only one class of shares referred to as equity shares having a face value of Rs. 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 Company has not declared any dividend during the year.
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.

(iv) Share in the company held by holding company and subsidiaries of the Holding company in aggregate

Name of Shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares				
Kopran Limited	1,99,00,000	99.50	1,99,00,000	99.50
Kopran Lifescience Limited	1,00,000	0.50	1,00,000	0.50

Shares of the Company are held by holding company and fellow subsidiary of the holding Company.

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

Name of Shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares				
Kopran Limited	1,99,00,000	99.50	1,99,00,000	99.50

17	Other Equity	As at March 31, 2020	As at March 31, 2019
	Capital Contribution from holding Reserves and Surplus	2,16,14,583	1,53,64,583
	Securities Premium Reserve	1,34,70,78,150	1,34,70,78,150
	Retained Earnings	(20,20,23,815)	(26,98,93,264)
	Sub - Total - A	1,16,66,68,918	1,09,25,49,469
	Other Comprehensive Income (OCI)		
	Equity Instruments through OCI		
	Remeasurements of net defined benefit plans	(10,16,066)	(6,62,404)
	Sub - Total - B	(10,16,066)	(6,62,404)
	Total - A + B	1,16,56,52,852	1,09,18,87,065

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.

18	Long term Borrowings	As at March 31, 2020	As at March 31, 2019
	Secured		
	Term Loans		
	From Others - Vehicle loan	-	2,99,927
	Unsecured		
	Inter corporate deposits		
	From Related Parties	2,40,00,000	3,00,00,000
	From Others		
	Term Loans		
	From others	19,75,99,631	16,37,94,278
	Total	22,15,99,631	19,40,94,205

* Vehicle Finance Loans carry interest ranging from 8.94% p.a. to 9.93% p.a. and is

** The above borrowing is repayable commencing from April 01, 2020.

19	Non - current Provisions	As at March 31, 2020	As at March 31, 2019
	Provision for Employee Benefits		
	Gratuity	2,62,32,617	2,25,39,896
	Leave encashment	69,71,457	55,70,603
	Total	3,32,04,074	2,81,10,499

20	Deferred tax liabilities	As at March 31, 2020	As at March 31, 2019
	Deferred Tax Liability		
	Relating to depreciation on fixed assets (a)	3,67,82,957	3,55,62,287
	Deferred Tax Assets		
	Provision for gratuity	67,04,763	63,74,823
	Provision for leave encashment	17,94,588	15,90,310
	Provision for bonus	3,81,953	4,50,357
	Provision for expected credit loss	10,32,782	15,20,364
	(b)	99,14,086	99,35,854
	Less: MAT Credit Entitlement (c)	-	97,29,798
	Total	2,68,68,871	1,58,96,634

21	Current financial liabilities - Borrowings	As at March 31, 2020	As at March 31, 2019
	Secured, Repayable on demand		
	From banks		
	Cash credit / packing credit	21,78,21,242	20,70,34,132
	Buyers credit	6,93,70,473	5,81,46,852
	Unsecured, repayable on demand		
	Loan from Related Parties	-	1,02,55,138
	Total	28,71,91,714	27,54,36,122

(a) Cash Credit / Packing Credit & Buyers Credit

Cash credit / Packing credit facilities availed from banks are secured by hypothecation of inventories and book debts (present and future) also first pari passu charge by way of mortgage on all immovable 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. The said facility is repayable on demand.

22 Trade Payables	As at March 31, 2020	As at March 31, 2019
Due to micro and small enterprises (Refer Note No. 41)	-	15,71,249
Due to Others	25,40,67,760	29,58,97,129
Total	25,40,67,760	29,74,68,378

No Interest is paid / payable during the year to any enterprise registered under Micro Small and Medium Enterprises Development Act, 2006 (MSMED). The above information has been determined to the extent such parties could be identified on the basis of the status of suppliers under MSMED.

23 Current financial liabilities - Other	As at March 31, 2020	As at March 31, 2019
Current maturities of non current borrowings	74,81,460	91,74,142
Interest accrued but not due	4,15,520	17,69,751
Security deposits	18,50,000	15,00,000
Payable for Capital Expenditure	80,27,682	4,42,13,900
Employees Benefits Paybles	2,04,41,578	1,98,60,763
Other payables	3,63,79,866	1,58,02,095
Total	7,45,96,106	9,23,20,651

24 Other Current Liabilities	As at March 31, 2020	As at March 31, 2019
Statutory Dues (including Provident Fund and Tax Deducted at Source)	28,86,980	37,51,450
Advance Received from Customers	4,81,67,610	3,00,00,000
Others	27,13,309	9,63,776
Total	5,37,67,899	3,47,15,226

25 Provisions	As at March 31, 2020	As at March 31, 2019
Provision for Employee Benefits		
Gratuity	4,07,415	3,74,638
Leave encashment	1,58,977	1,45,824
Total	5,66,392	5,20,462

26 Other Current Liabilities	As at March 31, 2020	As at March 31, 2019
Provision for tax (Net of advance tax)	18,45,322	1,80,82,094
Total	18,45,322	1,80,82,094

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Notes forming part of the standalone Financial Statements

(Amount in Rs.)

27 Revenue From Operations	Year Ended March 31, 2020	Year Ended March 31, 2019
Sale of Products	1,89,08,40,083	1,78,18,17,863
Other operating revenues		
Scrap sales	18,83,105	33,56,107
Export Incentive	3,25,86,740	3,30,19,336
Royalty Income	12,00,000	12,00,000
Total	1,92,65,09,928	1,81,93,93,306

28 Other Income	Year Ended March 31, 2020	Year Ended March 31, 2019
Interest Income		
On fixed deposit	16,91,328	18,44,631
Others	30,45,018	12,27,078
Recovery of bad debts earlier written off	16,45,543	-
Liabilities written back	26,190	1,48,56,185
Net gain on foreign currency transaction and translation	-	47,11,186
Total	64,08,078	2,26,39,081

29 Cost of Material Consumed	Year Ended March 31, 2020	Year Ended March 31, 2019
Raw material consumption		
Opening stock	20,03,97,199	22,88,51,385
Add: Purchases	1,18,19,15,334	1,16,17,35,857
	1,38,23,12,533	1,39,05,87,242
Less : Closing stock	13,16,61,043	20,03,97,199
Sub - Total	1,25,06,51,490	1,19,01,90,043
Packing materials consumption		
Opening stock	53,93,584	49,72,034
Add: Purchases	1,76,60,746	2,09,22,879
	2,30,54,330	2,58,94,913
Less : Closing stock	57,11,227	53,93,584
Sub - Total	1,73,43,103	2,05,01,329
Total	1,26,79,94,593	1,21,06,91,373

KOPRAN RESEARCH LABORATORIES LIMITED
Notes forming part of the standalone Financial Statements

(Amount in Rs.)

30	Changes in inventories of finished goods and work-in-progress	Year Ended March 31, 2020	Year Ended March 31, 2019
	Opening Inventories		
	Finished Goods	2,84,06,567	71,20,640
	Work-in-progress	23,61,40,922	16,00,55,398
		26,45,47,489	16,71,76,038
	Closing Inventories		
	Finished Goods	8,85,38,012	2,84,06,567
	Work-in-progress	23,07,94,497	23,61,40,922
		31,93,32,509	26,45,47,489
	Total	(5,47,85,020)	(9,73,71,451)
31	Employee Benefits Expense	Year Ended March 31, 2020	Year Ended March 31, 2019
	Salaries and Wages	14,98,08,936	14,90,32,801
	Contribution to Provident and Other Funds	82,91,884	72,90,404
	Staff welfare expenses	1,02,04,035	1,09,05,544
	Total	16,83,04,855	16,72,28,749
32	Finance Costs	Year Ended March 31, 2020	Year Ended March 31, 2019
	Interest expense	2,82,66,360	3,26,99,192
	Other borrowing cost	28,99,673	37,27,966
	Total	3,11,66,033	3,64,27,158
33	Other Expenses	Year Ended March 31, 2020	Year Ended March 31, 2019
	Stores and spares consumed	2,32,00,570	2,56,37,181
	Power and fuel	11,86,82,052	10,80,51,914
	Rent	1,32,67,005	1,33,22,200
	Repairs and Maintenance :		
	Building	28,68,838	53,68,276
	Machinery	1,21,29,348	1,49,33,409
	Others	32,64,519	14,83,630
	Commission on sales	2,35,18,449	1,95,14,219
	Job work charges	1,39,94,538	1,69,57,534
	Packing, freight and forwarding	2,59,23,737	2,25,33,192
	Payment to auditors (Refer Note No. 44)	5,03,000	5,00,000
	Net loss on foreign currency transaction and translation	40,90,112	-
	Legal and professional fees	1,76,26,079	1,15,73,636
	Rates and taxes	23,17,624	6,78,641
	Security and labour charges	1,22,68,497	1,03,03,794
	Directors' sitting fees	57,000	79,500
	Bad Debts	73,48,904	2,30,23,608
	Less: Provision for Expected credit loss written back	(13,61,449)	(77,58,086)
	Miscellaneous Expenses	4,91,63,770	6,05,54,102
	Total	32,88,62,591	32,67,56,750

34 Capital Commitments & Contingent liabilities not provided for :

(a) Capital Commitments:	As at March 31, 2020	As at March 31, 2019
Estimated amounts of contracts remaining to be executed on capital account (net of advances) and not provided for	83,10,577	96,31,415
(b) Contingent liabilities not provided for :		
i Corporate guarantee given for loan taken by Holding Company	36,00,00,000	36,00,00,000
ii Bills discounted with banks	-	50,02,610
iii Disputed tax Matters :		
Excise duty demand disputed in appeal	20,02,337	20,02,337
Service tax demand disputed in appeal	3,40,463	8,75,916

Note: Other Legal issues are either in ordinary course of business or not of substantial nature and management is reasonably confident of their positive outcome. Management shall deal with them judiciously and provide for appropriately, if any such need arises.

35 Basic and diluted earnings per share [EPS] computed in accordance with Ind AS 33 "Earnings Per Share"

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Net Profit as per the Statement of Profit and Loss available for Equity Shareholders (in Rs.)	6,78,69,449	8,01,19,101
Number of Equity Shares outstanding	2,00,00,000	2,00,00,000
Weighted average number of Equity Shares for Earnings Per Share computation:	2,00,00,000	2,00,00,000
Nominal value of equity shares (in Rs.)	10	10
Earnings Per Share:		
Basic (in Rs.)	3.39	4.01
Diluted (in Rs.)	3.39	4.01

36 CIF Value of Imports	Year Ended March 31, 2020	Year Ended March 31, 2019
Raw Materials/Packing Material	70,74,98,427	87,70,87,307
Capital Goods	30,65,080	1,81,70,622
Total	71,05,63,507	89,52,57,929

37 Expenditure in Foreign Currency	Year Ended March 31, 2020	Year Ended March 31, 2019
Commission	1,55,60,967	1,07,58,887
Bank Interest on Buyers Credit	15,22,214	3,83,945
Travelling Expenses	33,77,975	19,92,060
Product Development Charges	3,97,800	-
Product Registration Charges	1,63,340	4,00,763
Professional Charges	56,650	-
Others	28,84,063	23,72,505
Total	2,39,63,009	1,59,08,161

38 Earnings in Foreign Currency	Year Ended March 31, 2020	Year Ended March 31, 2019
FOB Value of Exports	1,09,41,24,272	1,09,76,28,750
Total	1,09,41,24,272	1,09,76,28,750

39 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:

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Employer's contribution to provident fund	75,30,627	64,78,328
Employer's contribution to Labour Welfare Fund	22,572	21,312
Employer's contribution to ESIC	7,38,685	7,90,764
Total	82,91,884	72,90,404

B) Defined Benefit plan

The employees' gratuity scheme is a defined benefit plan. The present value of obligation is determined based on actuarial

Part A : Gratuity Benefits (Unfunded)

Particular	As at March 31, 2020	As at March 31, 2019
Present value of the projected benefit obligation		
Present Value of Benefit Obligation at the Beginning of the Year	2,29,14,534	1,91,54,557
Interest Cost	17,85,042	15,07,464
Current Service Cost	19,47,901	16,77,830
Past Service Cost	-	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	25,31,572	1,93,226
Actuarial (Gains)/Losses on Obligations - Due to Experience	(21,77,910)	9,00,554
Benefit Paid Directly by the Employer	(3,61,107)	(5,19,097)
Present Value of Benefit Obligation at the End of the Year	2,66,40,032	2,29,14,534

Particular	As at March 31, 2020	As at March 31, 2019
Change in the fair value of plan assets		
Fair Value of Plan Assets at the Beginning of the Year	-	-
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	2,66,40,032	2,29,14,534
Fair value of plan assets at the end of the year	-	-
Funded status surplus / (deficit)	2,66,40,032	2,29,14,534
Liability/(Asset) recognised in the Balance Sheet	2,66,40,032	2,29,14,534
Net interest cost for the current year		
Present value benefit obligation at the beginning of the year	2,29,14,534	1,91,54,557
Fair value of plan assets at the beginning of the year	-	-
Net liability / (asset) at the beginning	2,29,14,534	1,91,54,557
Interest cost	17,85,042	15,07,464
Interest income	-	-
Interest cost for the current year	17,85,042	15,07,464
Expenses recognised in the statement of profit or loss for the current year		
Current service cost	19,47,901	16,77,830
Net interest cost	17,85,042	15,07,464
Past service cost	-	-
Expenses recognised	37,32,943	31,85,294
Expenses Recognized in the Other Comprehensive Income (OCI) for the current year		
Actuarial (Gains)/Losses on Obligation For the Period	3,53,662	10,93,780
Return on Plan Assets, Excluding Interest Income	-	-
Change in Asset Ceiling	-	-
Net (Income)/Expense For the Period Recognized in OCI	3,53,662	10,93,780
Balance Sheet Reconciliation		
Opening Net Liability	2,29,14,534	1,91,54,557
Expenses Recognized in Statement of Profit or Loss	37,32,943	31,85,294
Expenses Recognized in OCI	3,53,662	10,93,780
Contribution paid	(3,61,107)	(5,19,097)
Net liability / (asset) recognised in the Balance Sheet	2,66,40,032	2,29,14,534

KOPRAN RESEARCH LABORATORIES LIMITED
Notes forming part of the standalone Financial Statements
(Amount in Rs.)

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	4,07,415	3,74,638
2nd following year	4,40,293	4,12,941
3rd following year	6,32,233	5,98,150
4th following year	25,74,890	7,19,508
5th following year	15,91,214	26,31,542
Sum of years of 6 to 10	1,02,52,011	87,99,821
Sum of years of 11 and above	4,63,69,493	4,79,49,458

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.

Projected benefit obligation on current assumptions	2,66,40,032	2,29,14,534
Delta effect of + 0.50% change in rate of discounting	(13,50,215)	(1,17,165)
Delta effect of - 0.50% change in rate of discounting	14,55,825	12,61,334
Delta effect of + 0.50% change in rate of salary increase	1,42,37,906	12,50,275
Delta effect of - 0.50% change in rate of salary increase	(13,44,226)	(11,69,093)
Delta effect of + 0.50% change in rate of employee turnover	77,950	1,73,885
Delta effect of - 0.50% change in rate of employee turnover	(83,444)	(1,84,763)
Assumptions used to determine the benefit obligations:		
Discount Rate	6.82%	7.79%
Rate of increase in Compensation levels	6.00%	6.00%
Rate of Employee Turnover	1.00%	1.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	

Part B : Leave Encashment (Unfunded)

Particulars	As at March 31, 2020	As at March 31, 2019
Present Value of Projected Benefit Obligation		
Present Value of Projected Benefit Obligation at the beginning of the year	57,16,427	45,39,062
Interest Cost	4,45,310	3,57,224
Service Cost	7,25,678	5,13,854
Past Service Cost	-	-
Actuarial (gain)/ loss	8,07,422	55,058
Actuarial (gain)/ loss	(5,35,890)	8,22,653
Benefits paid	(28,513)	(5,71,424)
Obligation at the year end	71,30,434	57,16,427
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 Statement of Profit or Loss for the year		
Actuarial (gains) / losses on obligation for the year	2,71,532	8,77,711
Return on plan assets, excluding interest income	-	-
Sub- Total	2,71,532	8,77,711
Actuarial loss recognised	2,71,532	8,77,711
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		
Present value of the defined benefit obligations at the end of the year	(71,30,434)	(57,16,427)
Fair value of Plan Assets at the end of the year	-	-
Funded Status (Surplus/(dedicit))	(71,30,434)	(57,16,427)
Unrecognised Past Service Cost at the end of the year	-	-
Net (Liability)/Asset recognised in the Balance Sheet	(71,30,434)	(57,16,427)
Interest Cost for the Current Year		
Present value of the defined benefit obligations at the beginning of the year	57,16,427	45,39,062
Fair value of Plan Assets at the beginning of the year	-	-
Net (Liability)/Asset at the beginning	57,16,427	45,39,062
Interest Cost	4,45,310	3,57,224
Interest Income	-	-
Net Interest Cost for Current Year	4,45,310	3,57,224
Expenses recognised in the statement of profit or loss for the current year		
Current service cost	7,25,678	5,13,854
Net interest cost	4,45,310	3,57,224
Actuarial (gains) / losses	2,71,532	8,77,711
Expenses recognised in the statement of profit or loss	14,42,520	17,48,789

KOPRAN RESEARCH LABORATORIES LIMITED**Notes forming part of the standalone Financial Statements****(Amount in Rs.)**

Particulars	As at March 31, 2020	As at March 31, 2019
Balance Sheet reconciliation		
Opening net liability	57,16,427	45,39,062
Expenses recognised in the statement of profit or loss	14,42,520	17,48,789
Employers contribution	-	-
Benefits paid directly by employer	(28,513)	(5,71,424)
Net liability / (assets) recognised in the Balance Sheet	71,30,434	57,16,427
Category of Assets		
NIL, as Funding status in unfunded		
Assumptions used to determine the benefit obligations:		
Discount Rate	6.82%	7.79%
Rate of increase in Compensation levels	6.00%	6.00%
Rate of employee turnover	1.00%	1.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08)	

40 Related Party Disclosures

Names of related parties where control exists:	
Holding Company	Kopran Limited
Key Management Personnel	Vandana Somani (Director) Sunita Banerji (Director) Mamta Biyani (Director) Chandra M Singhi (Director) Rakesh Doshi (Director) Hansa Gaggar (Company Secretary) (till December 24, 2018) Ahren Rodrigues (Company Secretary) (w.e.f. December 20, 2018) K B Shetty (CFO)
Enterprises significantly influenced by KMP or their relative (With whom there are transaction)	Oricon Enterprises Limited

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

Nature of Transaction	Holding Company		Key Management Personnel		Enterprises significantly influenced by KMP or their relative		Total	
	2019-2020	2018-2019	2019-2020	2018-2019	2019-2020	2018-2019	2019-2020	2018-2019
Loan Received								
Kopran Limited	-	47,57,29,687	-	-	-	-	-	47,57,29,687
Oricon Enterprises Limited	-	-	-	-	-	9,00,00,000	-	9,00,00,000
Total	-	47,57,29,687	-	-	-	9,00,00,000	-	56,57,29,687
Repayment of Loan taken								
Kopran Limited	1,02,55,138	46,57,15,330	-	-	-	-	1,02,55,138	46,57,15,330
Oricon Enterprises Limited		-	-	-	60,00,000	4,53,00,000	60,00,000	4,53,00,000
Total	1,02,55,138	46,57,15,330	-	-	60,00,000	4,53,00,000	1,62,55,138	51,10,15,330
Loan Given								
Kopran Limited	43,77,19,121	47,57,29,687	-	-	-	-	43,77,19,121	47,57,29,687
Total	43,77,19,121	47,57,29,687	-	-	-	-	43,77,19,121	47,57,29,687
Repayment of Loan given								
Kopran Limited	34,80,92,944	46,57,15,330	-	-	-	-	34,80,92,944	46,57,15,330
Total	34,80,92,944	46,57,15,330	-	-	-	-	34,80,92,944	46,57,15,330

KOPRAN RESEARCH LABORATORIES LIMITED

Notes forming part of the standalone Financial Statements

(Amount in Rs.)

Nature of Transaction	Holding Company		Key Management Personnel		Enterprises significantly influenced by KMP or their relative		Total	
	2019-2020	2018-2019	2019-2020	2018-2019	2019-2020	2018-2019	2019-2020	2018-2019
Sales								
Kopran Limited	4,86,25,754	5,11,76,021			-	-	4,86,25,754	5,11,76,021
Total	4,86,25,754	5,11,76,021	-	-	-	-	4,86,25,754	5,11,76,021
Purchases								
Kopran Limited	8,60,93,274	17,92,07,936	-	-	-	-	8,60,93,274	17,92,07,936
Oricon Enterprises Limited	-	-	-	-	-	3,07,10,415	-	3,07,10,415
Total	8,60,93,274	17,92,07,936	-	-	-	3,07,10,415	8,60,93,274	20,99,18,351
Interest Expense								
Oricon Enterprises Limited	-	-	-	-	28,34,134	41,29,233	28,34,134	41,29,233
Kopran Limited	-	11,55,882	-	-	-	-	-	11,55,882
Total	-	11,55,882	-	-	28,34,134	41,29,233	28,34,134	52,85,115
Interest Income								
Kopran Limited	17,52,081	-	-	-	-	-	17,52,081	-
Total	17,52,081	-	-	-	-	-	17,52,081	-
Expenses								
Kopran Limited - Rent	1,20,00,000	1,20,00,000	-	-	-	-	1,20,00,000	1,20,00,000
Kopran Limited - Corporate Gurantee Expenses	62,50,000	62,50,000	-	-	-	-	62,50,000	62,50,000
Oricon Enterprises Limited - Others	-	-	-	-	-	25,31,502	-	25,31,502
Total	1,82,50,000	1,82,50,000	-	-	-	25,31,502	1,82,50,000	2,07,81,502
Remuneration								
Chandra M Singhi	-	-	44,22,552	44,71,920	-	-	44,22,552	44,71,920
Rakesh Doshi	-	-	41,45,301	35,69,404	-	-	41,45,301	35,69,404
K B Shetty	-	-	11,11,308	10,24,857	-	-	11,11,308	10,24,857
Hansa Gaggar	-	-	-	2,09,836	-	-	-	2,09,836
Ahren A Rodrigues	-	-	3,34,176	89,892	-	-	3,34,176	89,892
Total	-	-	1,00,13,337	93,65,909	-	-	1,00,13,337	93,65,909

KOPRAN RESEARCH LABORATORIES LIMITED
Notes forming part of the standalone Financial Statements
(Amount in Rs.)

Nature of Transaction	Holding Company		Key Management Personnel		Enterprises significantly influenced by KMP or their relative		Total	
Director Sitting fees								
Vandana Somani	-	-	17,000	14,750	-	-	17,000	14,750
Sunita Banerji	-	-	21,000	-	-	-	21,000	-
Mamta Biyani	-	-	19,000	-	-	-	19,000	-
Total	-	-	57,000	14,750	-	-	57,000	14,750
Balance (Payable)/ Receivable as at March 31,								
Kopran Limited Loan	8,98,01,385	(1,02,55,138)	-	-	-	-	8,98,01,385	(1,02,55,138)
Kopran Limited Interest	15,76,873	-	-	-	-	-	15,76,873	-
Kopran Limited Trade Receivable/ (Payable)	1,85,92,941	(6,42,80,839)	-	-	-	-	1,85,92,941	(6,42,80,839)
Oricon Enterprises Limited Interest	-	-	-	-	(1,92,624)	(2,40,781)	(1,92,624)	(2,40,781)
Oricon Enterprises Limited Loan	-	-	-	-	(2,40,00,000)	(3,00,00,000)	(2,40,00,000)	(3,00,00,000)
Total	10,99,71,199	(7,45,35,977)	-	-	(2,41,92,624)	(3,02,40,781)	8,57,78,575	(10,47,76,758)

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and settlement occurs in cash. For the year ended March 31, 2020, the Company has not recorded any impairment of receivables relating to amount owed by related parties (March 31, 2019: NIL). This assessment is undertaken each financial year through examining the financial position of the related party and market in which the related party operates.

41 Disclosure of Derivatives:

(a) Particulars of derivatives as at balance sheet date:

Purpose		As at March 31, 2020	As at March 31, 2019
Forward exchange contracts (for export debtors)	USD	71,69,601	17,36,663
Forward contract value	Rs.	53,23,76,337	12,55,26,044

(i) The foreign currency outstanding balances that have not been hedged by any derivative instrument or otherwise as at March 31, 2019 are as follows:

Particulars	Foreign Currency Denomination	As at March 31, 2020		As at March 31, 2019	
		Foreign Currency Amount	Amount	Foreign Currency Amount	Amount
Payables	USD	42,58,903	32,22,71,226	33,10,479	22,89,19,645
	EURO	1,488	1,22,522	1,488	1,15,410
Receivables	USD	30,40,582	23,00,80,859	26,58,954	17,84,30,885
	EURO	34,239	28,19,582	1,27,352	98,78,723

The foreign currency outstanding has been translated at the rates of exchange prevailing on the Balance Sheet date.

42 Segment Reporting:

The company is primarily engaged in the business of manufacturing of "Active Pharmaceutical Ingredients (API)" which in the context of Indian accounting standard (Ind AS) 108 on operating segments constitutes a single reportable segment.

43 Dues to Micro, Small and Medium Enterprises (MSME)

No Interest is paid / payable during the year to any enterprise registered under Micro Small and Medium Enterprises Development Act, 2006 (MSMED). The information has been determined to the extent such parties could be identified on the basis of the status of suppliers under MSMED.

44 Auditors Remuneration

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Statutory Audit Fees	3,50,000	3,50,000
Tax Audit Fees	1,50,000	1,50,000
Other Matters	3,000	-
Total	5,03,000	5,00,000

45 Current tax and deferred tax

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

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Current Tax		
Current Income Tax Charge	2,42,63,757	1,80,82,094
Adjustments in respect of prior years	20,37,506	-
Total	2,63,01,263	1,80,82,094
Deferred Tax		
In respect of current year	12,42,438	1,44,47,811
Total	12,42,438	1,44,47,811
Total tax expense recognised in Statement of Profit and Loss	2,75,43,700	3,25,29,904

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

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Net profit as per Statement of Profit and Loss Account (before tax)	9,54,13,149	11,26,49,005
Corporate Tax Rate as per Income tax Act, 1961	27.82	20.59
Tax on Accounting Profit	2,65,43,938	2,31,90,825
Tax difference on account of:		
Expenses not allowable under the Income tax Act, 1961	2,92,89,095	-
One fifth of Transition Amount (Credit item credited to other Equity)	-	42,784
Timing Differences - Deferred tax assets	12,42,438	1,44,47,811
Expenses allowable under the Income tax Act, 1961	-3,15,69,277	-51,51,516
Taxation adjustment of earlier years	20,37,506	-
Income tax expense recognised in profit and loss	2,75,43,700	3,25,29,904

KOPRAN RESEARCH LABORATORIES LIMITED

Notes forming part of the standalone Financial Statements

(Amount in Rs.)

d) Movement of Deferred Tax

Deferred tax assets / (liabilities) in relation to the year ended March 31, 2020

Particulars	Opening Balance	Recognised in profit and Loss	Offset against Current tax liability	Closing Balance
Relating to depreciation on fixed assets	-3,55,62,287	-12,20,670	-	-3,67,82,957
Provision for gratuity	63,74,823	3,29,940	-	67,04,763
Provision for leave encashment	15,90,310	2,04,278	-	17,94,588
Provision for expected credit loss	15,20,364	-4,87,581	-	10,32,782
Provision for Bonus	4,50,357	-68,404	-	3,81,953
MAT Credit Entilement	97,29,798	-	-97,29,798	-
Net Deferred Tax Assets	-1,58,96,634	-12,42,438	-97,29,798	-2,68,68,871

Deferred tax assets / (liabilities) in relation to the year ended March 31, 2019

Particulars	Opening Balance	Recognised in profit and Loss	Closing Balance
Relating to depreciation on fixed assets	-2,98,96,116	-56,66,171	-3,55,62,287
Provision for gratuity	58,21,527	5,53,296	63,74,823
Provision for leave encashment	13,73,937	2,16,373	15,90,310
Provision for expected credit loss	15,85,648	-65,284	15,20,364
Provision for Bonus	7,46,513	-2,96,156	4,50,357
Unabsorbed Depreciation & Business Loss adjusted for timing difference	1,89,19,667	-1,89,19,667	-
MAT Credit Entilement	-	97,29,798	97,29,798
Net Deferred Tax Assets	-14,48,824	-1,44,47,811	-1,58,96,634

46. FAIR VALUE MEASUREMENTS

i. Financial Instruments by Category

Particulars	Carrying Amount		Fair Value	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
FINANCIAL ASSETS				
Level 3				
Amortised cost				
Non-Current Financial Assets - Investments	8,87,325	-	9,34,600	-
Non-Current Financial Assets - Other	67,00,508	59,86,008	67,00,508	59,86,008
Current Financial Assets - Trade Receivables	50,68,86,235	51,32,67,273	50,68,86,235	51,32,67,273
Current Financial Assets - Cash and Cash Equivalents	1,73,676	2,16,127	1,73,676	2,16,127
Current Financial Assets - Bank Balances other than cash and cash equivalents	2,96,68,250	2,70,03,225	2,96,68,250	2,70,03,225
Current Financial Assets - Loans	9,13,78,258	-	9,13,78,258	-
Current Financial Assets - Other	7,62,900	48,04,617	7,62,900	48,04,617
Total	62,88,69,319	54,52,91,242	62,88,69,319	54,52,91,242

FINANCIAL LIABILITIES				
Level 3				
Amortised cost				
Borrowings	50,87,91,345	46,95,30,327	50,87,91,345	46,95,30,327
Trade Payables	25,40,67,760	29,74,68,378	25,40,67,760	29,74,68,378
Capital Creditors			-	-
Other financial liabilities	7,45,96,106	9,23,20,651	7,45,96,106	9,23,20,651
Total	83,74,55,211	85,93,19,356	83,74,55,211	85,93,19,356

The management assessed that the fair value of cash and cash equivalent, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

ii. Fair Value Measurement

Level 1 - Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2 - The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 - If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3.

iii. Valuation technique used to determine fair value

Specific Valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis

iv. Valuation processes

The accounts and finance department of the company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the chief financial officer (CFO) and the audit committee. Discussions of valuation processes and results are held between the CFO, AC and the valuation team regularly in line with the company's reporting requirements.

KOPRAN RESEARCH LABORATORIES LIMITED

Notes forming part of the standalone Financial Statements

(Amount in Rs.)

47. Financial Risk Management

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the managing board.

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 and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including loans and borrowings, foreign currency receivables and payables.

The Company manages market risk through treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures and borrowing strategies.

Capital Management

The Company manages its capital to ensure that Company will be able to continue as going concern while maximizing the return to shareholders by striking a balance between debt and equity. The capital structure of the Company consists of net debts (offset by cash and bank balances) and equity of the Company (Comprising issued capital, reserves, retained earnings). The Company is not subject to any externally imposed capital requirements except financial covenants agreed with lenders.

In order to optimize capital allocation, the review of capital employed is done considering the amount of capital required to fund capacity expansion, increased working capital commensurate with increase in size of business and also fund investments in new ventures which will drive future growth. The Chief Financial Officer ("CFO") reviews the capital structure of the Company on a regular basis. As part of this review, the CFO considers the cost of capital and the risks associated with each class of capital.

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 is not exposed to significant interest rate risk as at the respective reporting dates.

Foreign Currency Risk

The Company's exposure to exchange fluctuation risk is very limited for its purchase from overseas suppliers in various foreign currencies.

The following table analyzes foreign currency risk from financial instruments as of:

Trade Payable	As at March 31, 2020	As at March 31, 2019
In US \$	42,58,903	33,10,479
In INR	32,22,71,226	22,89,19,645
Conversion date of US \$	March 31, 2020	March 31, 2019

Foreign exchange risk sensitivity:

1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 1% change in foreign currency rates.

KOPRAN RESEARCH LABORATORIES LIMITED**Notes forming part of the standalone Financial Statements****(Amount in Rs.)**

A positive number below indicates an increase in profit and negative number below indicates a decrease in profit. Following is the analysis of change in profit where the Indian Rupee strengthens and weakens by 11% against the relevant currency:

	As at March 31, 2020		As at March 31, 2019	
	1% strengthen	1% weakening	1% strengthen	1% weakening
USD	(32,22,712.26)	32,22,712.26	(22,89,196.45)	22,89,196.45

In management's opinion, the sensitivity analysis is not representative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

Credit Risk

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to Rs. 50,68,86,235 and Rs. 51,32,67,273 as of March 31, 2020 and March 31, 2019 respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and the Company's historical experience for customers.

The average credit period on sale of goods is 90 to 180 days. No interest is charges on trade receivables.

Credit Risk Exposure

Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks with high credit ratings assigned by international and domestic credit rating agencies.

Liquidity Risk

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

As of March 31, 2020, The Company had a working capital of Rs. 50,04,55,340/- including cash and cash equivalent of Rs. 1,73,676/-.

As of March 31, 2019, The Company had a working capital of Rs. 38,35,77,663/- including cash and cash equivalent of Rs. 2,16,127/-.

KOPRAN RESEARCH LABORATORIES LIMITED
Notes forming part of the standalone Financial Statements

(Amount in Rs.)

48. Previous year's figures have been regrouped or reclassified to conform with the current years' presentation wherever considered necessary.

In terms of our report attached
For **NGS & Co. LLP**
Chartered Accountants
Firm Regn. No. 119850W

Ganesh Toshniwal
Partner
M.No. 046669
Mumbai
June 29, 2020

For and on behalf of Board of Directors
Kopran Research Laboratories Limited

Chandra M. Singhi
Director
DIN : 01793293

Rakesh Doshi
Director
DIN : 00359832

K.B. Shetty
Chief Financial Officer

Ahren Rodrigues
Company Secretary