Independent Auditor's Report

To the Members of
Kopran Research Laboratories Limited

Report on the audit of Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of KOPRAN RESEARCH LABORATORIES LIMITED (the “Company”), which comprise the Balance Sheet as at March 31, 2022, 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 ended on that date and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the “financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the “Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion there on, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters that need to be communicated in our report.

Key Audit Matters

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

Sr. No.	Key audit matter description	How the scope of our audit addressed the key audit matter
1	**Valuation of Inventory:**	
	Inventory comprises of Raw Materials, Finished Goods, Stock in process and Stores and Spares. There is an inherent risk around the accuracy of the valuation of the closing stocks. Inventories are valued at lower of cost and net realizable value. These involve significant management judgement to determine the obsolete or slow-moving items of inventory and to evaluate the realizable values. Further, the key raw material for the Company is majorly imported and is subject to high price fluctuation risk as well as foreign currency risk. The volatility in the prices of key raw material may significantly impact the valuation of not only raw material but also other items of inventory. In determining the net realizable value, the management uses data of sales of finished good available which is a management estimate. We have considered this as a key audit matter due to the significance in the amount of inventory and volatility in the prices of key raw material.	We have reviewed the stock records and held discussions with the management with regard to determination of slow moving and obsolete items and valuation of realizable values of such items. We verified arithmetical accuracy of valuation records/reports. For a sample of inventory items, we have verified that the First in First Out (FIFO) Method for Valuation in case of inventory is appropriate. We have reviewed the price movement of key raw material with respect to cost to the Company. Compared such price with the recent selling prices. Compared the value of Finished Goods with the last selling prices of the respective product to determine the basis of valuation adopted.

Sr. No.	Key audit matter description	How the scope of our audit addressed the key audit matter
2	**Estimated allowance of trade receivables**	
	The Trade receivables forms a significant part of the total assets. The estimated allowance of trade receivables is identified as key audit matter due to the use of significant judgement and estimates with respect to the recoverability of overdue trade receivables. As detailed in note no 47 of the standalone financial statements, the management reviews and assesses the recoverability of the carrying value of all overdue trade receivables individually by considering the credit history including default or delay in payments, settlement records and subsequent settlements. Allowance for doubtful debts will be provided for the amount of trade receivables that are considered as irrecoverable.	Our audit procedures in relation to the estimated allowance of trade receivables included. • Understanding how allowance for doubtful debts is estimated by the management; • Testing the subsequent settlements of trade receivables; on a sample basis, to the source documents including bank statements and bank in slips/remittance advices. • Discussing with the management and evaluating the basis of trade debtors that are overdue and without/with little settlements subsequent to the end of the reporting period identified by the management and their assessment on the recoverability of overdue trade receivables.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, consolidated financial statements, standalone financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibilities for the financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS 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.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(I) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (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 to the extent applicable

2. As required by Section 143(3) of the Act, based on our audit we report that:

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

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows 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 Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provision of section 197 of the Companies Act,2013. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

h) 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer Note 34 to the financial statements;

ii. The Company has long-term contracts including derivative contracts for which there were any material foreseeable losses/profits. Refer Note 41 to the financial statements;

iii. In view of there being no amounts required to be transferred to the Investor Education and Protection Fund for the year under audit, the reporting under this clause is not applicable.

iv. (A) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kinds of funds) by the Company to or in any other person or entity, including foreign entity (“intermediaries”), with the understanding , whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries:

(B)The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(C) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (I) of Rule 11(e), as provided under (A) and (B) above, contain any material misstatement.

v. No dividend has been paid or declared during the year by the Company.

For **NGS & Co. LLP**
Chartered Accountants
Firm's Registration No. 119850W

Ganesh Toshniwal
Partner
Membership No.046669
Place: Mumbai
Date: May 26, 2022
UDIN: 22046669AJRBLI9034

ANNEXURE'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Kopran Research Laboratories Limited of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The fixed assets of the Company have been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

(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 is held in the name of the company.

(d) The Company has not revalued any of its Property, Plant and Equipment during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. (a) The inventory, except goods in transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at year end, written confirmations have been obtained and for goods in transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) The Company has been sanctioned working capital limits in excess of ` 5 crore, in aggregate, during the year, from banks on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns and statements comprising (Stock statements, book debts statements and statement of ageing analysis of the debtors) filed by the Company with such banks are in agreement with the unaudited books of accounts of the Company of the respective quarters.

iii. According to the Information and explanations given to us and on the basis of our examination of the records of the Company, during the year, the Company has not made investments in companies, firms, Limited Liability Partnerships or any other parties. The Company has provided guarantee and security and has granted loans and advances in the nature of loans to Companies during the year, in respect of which the requisite information is as below.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has provided loans or advances in the nature of loans or stood guarantee, or provided security to any other entity as below:

Particulars	Guarantees	Security	Loans	Advances in nature of loans
Aggregate amount during the year				
Related Party	2,885.00	Nil	3,388.93	Nil
Others	Nil	Nil	Nil	Nil
Balance outstanding as at balance sheet date				
Related Party	2.068.18	Nil	786.20	Nil
Others	Nil	Nil	Nil	Nil

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made, guarantees provided, security given during the year and the terms and conditions of the grant of the loans and advances in the nature of loans and guarantees provided during the year are, prima facie, not prejudicial to the Company's interest.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the loans given are repayable on demand and, in our opinion the repayment of principal and payment of interest has been as stipulated/demanded and regular. There has been no default on the part of the party to whom money has been lent. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) In respect of loans granted by the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advance in the nature of loan to any party during the year.

(e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) The Company has granted loans or advances in the nature of loans which are repayable on demand and the terms are not prejudicial to the interest of the Company. The same is disclosed as below:

Particulars	Related Parties (` in Lakhs)
Aggregate of loans / advances in nature of loans	
Repayable on demand (A)	3,388.93
Others (B)	Nil
Total (A+B)	**3,388.93**
Percentage of loans/advances in nature of loan to the total loans	100.00%

iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act 2013 in respect of loans granted, Investments made and guarantees and securities provided, as applicable.

v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 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 prescribed by the Central Government for maintenance of cost records under sub- section (1) of section 148 of the Companies Act, 2013 in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

vii. In respect of statutory dues:

(a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities except for delay in some cases which have been paid later with applicable interest.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, Cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

(b) Details of dues of Service Tax and Excise Duty which have not been deposited as at March 31, 2022 on account of dispute are given below:

Name of the Statute	Nature of the dues	Amount (` in lakhs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	3.14	2012-13	Joint Secretary of Government of India Ministry of Finance
Finance Act, 1994	Service tax	3.40	2015-16	Central Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Excise Rebate	1.86	2016-17	Principal Commissioner (RA)
Sales Tax/Value Added Tax	Sales Tax/Value Added Tax Dues	50.17	2015-16	Sales Tax Appeal
Sales Tax/Value Added Tax	Sales Tax/Value Added Tax Dues	82.05	2016-17	Sales Tax Appeal
Sales Tax/Value Added Tax	Sales Tax/Value Added Tax Dues	274.83	2017-18	Assessing Officer

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. (a) The Company has not defaulted in repayment of principal amounts and interest amounts during the year.

(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) During the year, Company has not raised any term loans and hence reporting under clause 3(ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, funds raised on short- term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On the overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. The Company does not have any associates or joint ventures.

(f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries. Hence reporting on clause 3(ix)(f) of the Order is not applicable.

x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) During the year, the Company has made preferential allotment of shares and the requirements of Section 42 and Section 62 of the Companies Act, 2013 have been complied with and the funds raised have been utilized for the purpose for which the funds were raised.

xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) During the year, Company has not received any whistle blower complaints, hence reporting under clause 3(xi)(c) of the Order is not applicable.

xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable.

xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

(b) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Therefore, clause 3(xvi)(c) and clause 3(xvi)(d) of the Order is not applicable.

xvii. The Company has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors of the Company during the year.

xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. In our opinion and according to the information and explanations given to us, there is no unspent amount under sub section (5) of Section 135 of the Companies Act, 2013 pursuant to any project.

For **NGS & Co. LLP**
Chartered Accountants
Firm's Registration No. 119850W

Ganesh Toshniwal
Partner
Membership No.046669
Place: Mumbai
Date: May 26, 2022
UDIN: 22046669AJRBLI9034

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 3(f)under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Kopran Research Laboratories Limited of even date)

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

We have audited the internal financial controls over financial reporting of **Kopran Research Laboratories Limited** (the "Company") as of March 31, 2022 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

1. The Management of the Company 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 (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

2. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

3. 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

4. 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

5. 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 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

6. 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

7. In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting 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 ICAI.

For NGS & Co. LLP
Chartered Accountants
Firm's Registration No. 119850W

Ganesh Toshniwal
Partner
Membership No.046669
Place: Mumbai
Date: May 26, 2022
UDIN: 22046669AJRBLI9034

BALANCE SHEET AS AT MARCH 31, 2022

(` in Lakhs)

	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
1. Non-Current Assets			
Property, Plant and Equipment	4	**11,332.38**	**7,674,78**
Capital Work-in-Progress		**2,753.95**	**3,708.73**
Intangible Assets	5	**49.83**	**7.78**
Intangible Assets under Development		**491.09**	**298.04**
Financial Assets			
Investments	6	**8.87**	**8.87**
Security Deposits	7	**90.91**	**88.51**
Other Non Current Assets	8	**1,030.92**	**827.96**
Total Non-Current Assets		**15,757.95**	**12,614.67**
2. Current Assets			
Inventories	9	**10,842.71**	**7,250.10**
Financial Assets			
Trade Receivables	10	**6,649.80**	**7,055.71**
Cash and Cash Equivalents	11	**518.80**	**4.05**
Bank Balances other than the above	12	**4,896.23**	**306.32**
Loans	13	**786.20**	**-**
Other financial assets	14	**59.85**	**131.55**
Other Current Assets	15	**3,170.80**	**1,770.91**
Total Current Assets		**26,924.39**	**16,518.64**
Total Assets		**42,682.34**	**29,133.31**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	16	**2,250.00**	**2,000.00**
Other Equity	17	**29,722.98**	**15,266.65**
Total Equity		**31,972.98**	**17,266.65**
Liabilities			
1. Non-Current Liabilities			
Financial Liabilities			
Borrowings	18	**1,669.54**	**1,885.29**
Provisions	19	**405.59**	**360.81**
Deferred Tax Liabilities (Net)	20	**323.89**	**26.30**
Total Non-Current Liabilities		**2,399.02**	**2,513.40**
2. Current Liabilities			
Financial Liabilities			
Borrowings	21	**2,676.25**	**2,975.58**
Trade Payables	22		
a) Total outstanding dues of micro and small enterprises		**113.12**	**104.51**
b) Total outstanding dues of creditors other than micro and small enterprises		**3,136.76**	**4,671.73**
Other Financial Liabilities	23	**1,905.85**	**1,311.75**
Other Current Liabilities	24	**138.27**	**69.71**
Provisions	25	**21.65**	**8.76**
Current Tax Liabilities (Net)	26	**318.44**	**211.22**
Total Current Liabilities		**8,310.34**	**9,353.26**
Total Equity and Liabilities		**42,682.34**	**29,133.31**

See accompanying notes forming part of the financial statement

As per our report of even date attached

For **NGS & Co. LLP**
Chartered Accountants
Firm Regn. No. 119850W

Ganesh Toshniwal
Partner
Membership No. 046669

Mumbai
May 26, 2022

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

Chandra M. Singhi
Director
DIN : 01793293

Vandana Somani
Director
DIN: 01218254

Lekha Jogi
Chief Financial Officer

Mrs. Chandni Shah
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

(` in Lakhs)

	Note No.	Year Ended March 31, 2022	Year Ended March 31, 2021
INCOME			
Revenue From Operations	27	**27,944.25**	29,015.73
Other Income	28	**566.62**	1,006.91
Total Income		**28,510.87**	30,022.64
EXPENSES			
Cost of materials consumed	29	**17,524.45**	18,145.44
Purchase of stock-in-trade		**-**	294.40
Changes in Inventories of Finished Goods, Work-in-Progress	30	**(2,526.27)**	81.91
Employee Benefits Expense	31	**2,221.24**	1,881.80
Finance Costs	32	**342.71**	298.52
Depreciation and Amortization Expense	4&5	**949.14**	879.90
Other Expenses	33	**3,715.52**	3,654.46
Total Expenses		**22,226.79**	25,236.43
Profit before tax		**6,284.08**	4,786.21
Tax Expense			
(1) Current Tax		**1,572.68**	1,254.06
(2) Deferred Tax		**59.27**	(5.00)
(3) Taxation adjustment of earlier years		**-**	-
		1,631.95	1,249.06
Profit for the year		**4,652.13**	3,537.15
Other Comprehensive Income /(Loss)			
Items that will not be reclassified subsequently to profit and loss			
Re-measurement of defined employee benefit plans [(expenses) / write back]		**(10.48)**	14.10
Income tax effect on re-measurement of defined employee benefit plans [(charge) / credit]		**2.69**	(3.61)
Other comprehensive income/(loss) for the year		**(7.79)**	10.49
Total comprehensive income for the year		**4,644.34**	3,547.64
Earnings per equity share of face value of ` 10/- each			
Basic and diluted		**23.17**	17.69

See accompanying notes forming part of the financial statement

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

Lekha Jogi
Chief Financial Officer

Ganesh Toshniwal
Partner
Membership No. 046669

Mumbai
May 26, 2022

Chandra M. Singhi
Director
DIN : 01793293

Vandana Somani
Director
DIN: 01218254

Mrs. Chandni Shah
Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

(` in Lakhs)

A) Equity share capital (refer note 16)

Particulars	As at March 31, 2022		As at March 31, 2021	
	No.of shares	**Amount**	No.of shares	Amount
Balance at the beginning of the reporting year	**2,00,00,000**	**2,000.00**	2,00,00,000	2,000.00
Changes in equity share capital during the year	25,00,000	**250.00**	-	-
Balance at the end of the reporting year	**2,25,00,000**	**2,250.00**	2,00,00,000	2,000.00

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, 2020	**13,470.78**	**216.15**	**(2,020.26)**	**(10.16)**	**11,656.51**
Profit for the year	-	-	3,537.15	-	**3,537.15**
Capital Contribution from holding	-	62.50	-	-	**62.50**
Other comprehensive income for the year	-	-	-	10.49	**10.49**
As at March 31, 2021	**13,470.78**	**278.65**	**1,1516.89**	**0.33**	**15,266.65**
Profit for the year	-	-	4,652.13	-	**4,652.13**
Share issue Expenses	-	-	(0.51)	-	**(0.51)**
Securities Premium Received	9.750.00	-	-	-	9.750.00
Capital Contribution from holding	-	62.50	-	-	**62.50**
Other comprehensive income for the year	-	-	-	(7.79)	**(7.79)**
As at March 31, 2022	**23,220.78**	**341.15**	**6.168.51**	**(7.46)**	**29,722.98**

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 tranfer to general reserve, dividends or other distributions paid to the shareholders

See accompanying notes forming part of the financial statement

As per our report of even date attached

For **NGS & Co. LLP**
Chartered Accountants
Firm Regn. No. 119850W

Ganesh Toshniwal
Partner
Membership No. 046669

Mumbai
May 26, 2022

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

Chandra M. Singhi
Director
DIN : 01793293

Vandana Somani
Director
DIN: 01218254

Lekha Jogi
Chief Financial Officer

Mrs. Chandni Shah
Company Secretary

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

(` in Lakhs)

	Year Ended March 31, 2022	Year Ended March 31, 2021
A. Cash flows from operating activities:		
Profit before tax	**6,284.08**	4,786.21
Adjustments for:		
Depreciation and amortization expense	**949.14**	879.90
Amortisation of premium on operating lease	**9.86**	9.86
Interest income recognised in profit or loss	**(119.10)**	(71.75)
Loss on disposal of property, plant & equipment	**-**	6.53
Capital contribution from holding company	**62.50**	62.50
Finance costs recognised in profit or loss	**342.71**	298.52
Change in operating assets and liabilities:		
Increase / (Decrease) in trade payables	**(1,526.36)**	2,235.56
Increase / (Decrease) in short-term & Long-term provisions	**47.18**	45.97
Increase / (Decrease) in other current liabilities	**68.57**	(467.97)
Increase / (Decrease) in other financial liabilities	**594.11**	565.78
(Increase) / Decrease in trade receivables	**405.91**	(1,986.84)
(Increase) / Decrease in inventories	**(3,592.62)**	(2,517.55)
(Increase) / Decrease in other financial assets	**69.31**	(145.43)
(Increase) / Decrease in other current and non-current assets	**(1,612.70)**	(1,127.68)
Cash generated from operations	**1,982.59**	2,573.61
Direct taxes paid (net of refund)	**(1,465.46)**	(1,061.30)
Net cash generated by operating activities	**517.13**	1,512.31
B. Cash flows from investing activities:		
Purchase of tangible assets (including capital work-in-progress & capital advance)	**(3,646.15)**	(1,933.08)
Purchase of intangible assets	**(240.92)**	(73.81)
Proceeds from disposal of property, plant & equipment	**-**	46.50
Loans given	**(786.20)**	913.78
Interest received	**119.10**	71.75
Net cash used in investing activities	**(4,554.17)**	(974.81)
C. Cash flows from financing activities:		
Interest and financial charges paid	**(342.71)**	(298.52)
Proceeds from Issue of Share Capital	**10,000.00**	-
Share Issue Expenses	**(0.51)**	-
Proceeds / (Repayment) Non current (net)	**(215.75)**	(330.71)
Proceeds / (Repayment) Current borrowings (net)	**(299.33)**	103.66
Net cash used in financing activities	**(9,141.70)**	(525.56)
Net decrease in cash and cash equivalents	**5,104.66**	11.94
Add: Cash and cash equivalents at the beginning of the year	**310.37**	298.43
Cash and cash equivalents at the end of the year	**5,415.03**	310.37
Cash and cash equivalents comprise of:		
Cash on Hand	**0.75**	1.25
Bank Balances:		
In Current Accounts	**518.05**	2.80
In Fixed Deposits with original maturity less than 3 months	**4,896.23**	306.32
Cash and cash equivalents at the end of the year	**5,415.03**	310.37

See accompanying notes forming part of the financial statement

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

Lekha Jogi
Chief Financial Officer

Ganesh Toshniwal
Partner
Membership No. 046669

Mumbai
May 26, 2022

Chandra M. Singhi
Director
DIN : 01793293

Vandana Somani
Director
DIN: 01218254

Mrs. Chandni Shah
Company Secretary

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 May 26, 2022.

2) Significant Accounting Policies

2.1 Basis of preparation

Compliance with Ind AS

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

Historical Cost Convention

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

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

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

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

2.2 Current/non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

2.3 Summary of significant accounting policies

a) Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

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

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

b) Fair value measurement

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

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

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

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

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

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

• Level 1 - Quoted (unadjusted)
This hierarchy includes financial instruments measured using quoted prices.

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

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

c) Non-current assets held for sale

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

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

d) Property, plant and equipment

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

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

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

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

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

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

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

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

Depreciation methods, estimated useful lives and residual value

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

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

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

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

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

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.

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.

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.

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.

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.

(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.

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

Initial recognition and measurement

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

Subsequent measurement

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

(i) Trade and other payables

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

(ii) Loans and borrowings

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

(iii) Financial guarantee contracts

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

De-recognition

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

Embedded derivatives

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

Reclassification of financial assets

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

Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

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

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

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

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.

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

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

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

(i) Fair value hedges

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

(ii) Cash flow hedges

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

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

l) Convertible financial instrument

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

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

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

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

(m) Employee benefits

(i) Short-term obligations

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

(ii) Other long-term employee benefit obligations

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

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

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

(a) defined benefit plans viz. gratuity,

(b) defined contribution plans viz. provident fund.

Gratuity obligations

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

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

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

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

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

Defined contribution plans

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

(vi) Termination benefits

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

n) Provisions, Contingent Liabilities and Contingent Assets

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

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

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non - occurrence of one or more uncertain future events not wholly within the control of the Company.

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

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

o) Borrowing costs

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

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expended 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.

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

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

(i) Impairment of non - financial assets

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

(ii) Useful lives of property, plant and equipment

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

(iii) Valuation of deferred tax assets

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

(iv) Defined benefit plans

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

(v) Provisions and contingent liabilities

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

(vi) Fair value measurement

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

3) RECENT PRONOUNCEMENTS

Recent Indian Accounting Standards / Pronouncements Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

a) Ind AS 103 – Reference to Conceptual Framework. The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

b) Ind AS 16 – Proceeds before intended use. The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

c) Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract. The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

d) Ind AS 109 – Annual Improvements to Ind AS (2021). The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

e) Ind AS 106 – Annual Improvements to Ind AS (2021) The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

Notes forming part of the Standalone Financial Statements

(` in Lakhs)

4) PROPERTY, PLANT AND EQUIPMENT

Cost	Office equipment	Office Building	Computer	Plant and Equipment	R & D Equipment	Furniture and Fixtures	Vehicle	Total
As at March 31, 2020	**4.53**	**1758.14**	**46.55**	**9,668.68**	**4.09**	**44.73**	**37.02**	**11,563.74**
Additions	2.32	13.61	9.82	290.22	-	1.32	-	317.29
Disposals/Transfer	-	-	-	(75.04)	-	-	-	(75.04)
As at March 31, 2021	**6.85**	**1,771.75**	**56.37**	**9,883.86**	**4.09**	**46.05**	**37.02**	**11,805.99**
Additions	0.34	928.36	18.30	3,633.09	-	3.57	17.27	4,600.93
Disposals/Transfer	-	-	-	-	-	-	-	-
As at March 31, 2022	**7.19**	**2,700.11**	**74.67**	**13,516.95**	**4.09**	**49.62**	**54.29**	**16406.92**
Accumulated Depreciation								
As At April 1, 2020	**2.10**	**184.97**	**21.68**	**3,032.02**	**1.68**	**22.14**	**11.70**	**3,276.29**
Depreciation	0.94	57.22	12.57	798.16	0.17	2.95	4.92	876.93
Adjusted during the year	-	-	-	(22.01)	-	-	-	(22.01)
As at March 31, 2021	**3.04**	**242.19**	**34.25**	**3,808.17**	**1.85**	**25.09**	**16.62**	**4131.21**
Depreciation	1.09	61.74	11.31	860.12	0.17	3.06	5.84	943.33
Adjusted during the year	-	-	-	-	-	-	-	-
As at March 31, 2022	**4.13**	**303.93**	**45.56**	**4,668.29**	**2.02**	**28.15**	**22.46**	**5,074.54**
Net Book Value								
As at March 31, 2022	**2.72**	**1,467.82**	**10.81**	**5,215.57**	**2.07**	**17.90**	**14.56**	**11,332.38**
As at March 31, 2021	3.81	1,529.56	22.12	6,075.69	2.24	20.96	20.40	7,674.78

CWIP Ageing Schedule As At March 31, 2022

Capital Work in Progress	Amount in CWIP for a period of				Total
	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
Projects in Progress	349.76	311.20	472.28	1,620.71	2,753.95
Projects temporarily suspended	-	-	-	-	-

CWIP Ageing Schedule As At March 31, 2021

Capital Work in Progress	Amount in CWIP for a period of				Total
	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	
Projects in Progress	1,615.74	472.28	1,620.71	-	3,708.73
Projects temporarily suspended	-	-	-	-	-

Notes forming part of the Standalone Financial Statements

(` in Lakhs)

5) INTANGIBLE ASSETS

Cost	Product Development Cost	Goodwill	Total
As at March 31, 2020	**15.68**	**92.36**	**108.04**
Additions/Transfer	-	-	-
Disposals/Transfer	-	-	-
As at March 31, 2021	**15.68**	**92.36**	**108.04**
Additions/Transfer	47.87	-	47.87
Disposals/Transfer	-	-	-
As at March 31, 2022	**63.55**	**92.36**	**155.91**
As at March 31, 2020	**4.92**	**92.36**	**97.28**
Amortisation	2.98	-	2.98
Disposals/Transfer	-	-	-
As at March 31, 2021	**7.90**	**92.36**	**100.26**
Amortisation	5.82	-	5.82
Disposals/Transfer	-	-	-
As at March 31, 2022	**13.72**	**92.36**	**106.08**
Net Book Value			
As at March 31, 2022	**49.83**	**-**	**49.83**
As at March 31, 2021	7.78	-	7.78

Intangible Assets under Development Ageing Schedule As At March 31, 2022

Capital Work in Progress	Amount in CWIP for a period of				
	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
Projects in Progress	217.66	60.97	88.58	123.88	491.09
Projects temporarily suspended	-	-	-	-	-

Intangible Assets under Development Ageing Schedule As At March 31, 2021

Capital Work in Progress	Amount in CWIP for a period of				
	Less than 1 Year	1 - 2 Years	2 - 3 Years	More than 3 Years	Total
Projects in Progress	84.60	89.56	123.88	-	298.04
Projects temporarily suspended	-	-	-	-	-

Notes forming part of the Standalone Financial Statements

(` in Lakhs)

		As at March 31, 2022	As at March 31, 2021
6) NON-CURRENT INVESTMENTS			
Investments in Equity Instruments Wholly owned subsidiary company (Unquoted) - (at cost) 10,000 shares, Face Value UK $ 10 per share of Kopran (UK) Limited, London, UK		**8.87**	8.87
	Total	**8.87**	8.87
7) OTHER NON CURRENT FINANCIAL ASSETS			
Unsecured, considered good			
Security deposits		**90.91**	88.51
	Total	**90.91**	88.51
8) OTHER NON CURRENT ASSETS			
Capital advances		**275.34**	122.36
Deduction of income tax		**60.65**	23.53
Premium on land under operating lease		**669.56**	679.42
Prepaid expenses		**25.37**	2.65
	Total	**1,030.92**	827.96
9) INVENTORIES			
(Valued at lower of cost or net realisable value)			
Raw materials {Includes stocks in transit ` 34.24 lakhs (March 31, 2021: ` 235.69 lakhs)}		**4,914.14**	3,926.45
Work-in-Process		**4,829.25**	2,965.62
Finished Goods		**808.43**	145.79
Stores & Spares		**191.70**	161.20
Packing Materials		**99.19**	51.04
	Total	**10.842.71**	7,250.10
10) TRADE RECEIVABLES			
Unsecured, considered good			
Receivable from other parties		**6,649.80**	6,875.75
Receivable from related party		**-**	181.96
Unsecured, considered doubtful		**29.29**	29.32
Less: Expected credit loss allowance		**(29.29)**	(29.32)
	Total	**6,649.80**	7,055.71

Trade Receivables Ageing Schedule	**Considered Good**	**Considered Good**
	(i) Undisputed Trade Receivables - Considered Good	**(i) Undisputed Trade Receivables - Considered Good**
Outstanding for following periods from due date of payment		
Less than 6 months	**6,582.23**	6,898.52
6 months -1 year	**17.02**	84.04
1-2 years	**30.97**	51.74
2-3 years	**19.58**	21.41
More than 3 years	**-**	-
Total	**6,649.80**	7,055.71

Notes forming part of the Standalone Financial Statements

(` in Lakhs)

	As at March 31, 2022	As at March 31, 2021
11) CASH AND CASH EQUIVALENTS		
Cash on Hand	**0.75**	1.25
Balances with banks		
On Current Accounts	**518.05**	2.80
Total	**518.80**	4.05
12) BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS		
Fixed deposits (Maturity of more than 3 months & less than 12 months) (Held as margin money or security against the guarantees)	**396.23**	306.32
Fixed deposits (Maturity of more than 3 months & less than 12 months)	**4,500.00**	-
Total	**4,896.23**	306.32
13) CURRENT FINANCIAL ASSETS-LOANS		
Loan to Related Party	**786.20**	-
Total	**786.20**	-
14) CURRENT FINANCIAL ASSETS-OTHERS		
Advance to employees	**10.83**	8.87
Foreign currency forward contracts	**49.02**	122.68
Total	**59.85**	131.55
15) OTHER CURRENT ASSETS		
Balance with statutory/ government authorities	**2,937.40**	1,624,53
Prepaid expenses	**102.31**	52.10
Others	**131.09**	94.28
Total	**3,170.80**	1,770.91

Notes forming part of the Standalone Financial Statements

(` in Lakhs)

16) EQUITY SHARE CAPITAL

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	Amount	Number	Amount
Authorised				
Equity Shares of `10 each	**2,50,00,000**	**2,500.00**	2,00,00,000	2,000.00
	2,50,00,000	**2,500.00**	2,00,00,000	2,000.00
Issued, Subscribed and Paid up				
Equity Shares of `10 each fully paid-up	**2,25,00,000**	**2,250.00**	2,00,00,000	2,000.00
	2,25,00,000	**2,250.00**	2,00,00,000	2,000.00

(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, 2022	Number	As at March 31, 2021
Equity shares outstanding the beginning of the year	**2,00,00,000**	**2,000.00**	2,00,00,000	2,000.00
Equity shares issued during the year	**25,00,000**	**250.00**	-	-
Equity shares outstanding at the end of the year	**2,25,00,000**	**2,250.00**	2,00,00,000	2,000.00

(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 ` 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 proportin 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.

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

Name of Shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares				
Kopran Limited	**2,24,00,000**	**99.56**	1,99,00,000	99.50
Kopran Lifescience Limited	**1,00,000**	**0.44**	1,00,000	0.50

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

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

Name of Shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares				
Kopran Limited	**2,24,00,000**	**99.56**	1,99,00,000	99.50

(v) Details of the Share held by the Promoters of the Company

Promoter Name	As at March 31, 2022			As at March 31, 2021		
	No. of Shares	% of Total Shares	% change during the year	No. of Shares	% of Total Shares	% change during the year
Equity Shares of ` 10/- each fully paid						
Kopran Limited	**2,24,00,000**	**99.56%**	**12.56%**	1,99,00,000	99.50%	0.00%
Kopran Lifescience Limited	**1,00,000**	**0.44%**	**0.00%**	1,00,000	0.50%	0.00%

Notes forming part of the Standalone Financial Statements

(` in Lakhs)

17) OTHER EQUITY

		As at March 31, 2022	As at March 31, 2021
Capital Contribution from holding		**341.15**	278.65
Reserves and Surplus			
Securities premium reserve		**23,220.78**	13,470.78
Retained earnings		**6,168.51**	1,516.89
	Sub - Total - A	**29,730.44**	15,266.32
Other Comprehensive Income (OCI)			
Remeasurements of net defined benefit plans		**(7.46)**	0.33
	Sub - Total - B	**(7.46)**	0.33
	Total - A + B	**29,722.98**	15,266.65

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, 2022	As at March 31, 2021
Term Loans			
Unsecured			
From others		**1,661.88**	1,857.52
Working Capital Term Loan			
Secured			
Working Capital Loans from Bank		**-**	27.77
Vehicle Loans		**7.66**	-
	Total	**1,669.54**	1,885.29

* The term loan carry adjustable interest rate of ICLR - 8.25% margin p.a. and is repayable in 99 equal monthly installments. The loan is secured against property of Bottle Closure India Private Limited. The loan is guaranteed by others.

** Working Capital Term Loan carries interest of MCLR and is repayable in 54 equal monthly installments. The loans are secured by hypothecation of inventories and book debts (present and future) also first pari passu charge by way of mortgage on all immoveable properties and by way of hypothecation on all the moveable fixed assets of the company both present and future and guaranteed by director / promoter jointly and severally.

19) NON - CURRENT PROVISIONS

		As at March 31, 2022	As at March 31, 2021
Provision for employee benefits			
Gratuity		**327.17**	286.68
Leave encashment		**78.42**	74.13
	Total	**405.59**	360.81

20) DEFERRED TAX LIABILITIES

		As at March 31, 2022	As at March 31, 2021
Deferred Tax Liability			
Relating to depreciation on fixed assets	(a)	**445.70**	374.12
Deferred Tax Assets			
Provision for gratuity		**86.25**	74.63
Provision for leave encashment		**23.23**	20.08
Provision for bonus		**4.83**	4.60
Provision for expected credit loss		**7.50**	7.51
	(b)	**121.81**	106.82
Less: MAT Credit Entitlement	(c)	**-**	-
	Total	**323.89**	267.30

Notes forming part of the Standalone Financial Statements

(` in Lakhs)

21) CURRENT FINANCIAL LIABILITIES - BORROWINGS

	As at March 31, 2022	As at March 31, 2021
Secured, Repayable on demand		
From banks		
Cash credit / packing credit	**1,083.53**	2,136.16
Buyers credit	**1,592.72**	839.42
Total	**2,676.25**	2,975.58

(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 immoveable properties and by way of hypothecation on all the moveable fixed assets of the company both present and future and guaranteed by director / promoter jointly and severally. The said facility is repayable on demand.

22) TRADE PAYABLES

	As at March 31, 2022	As at March 31, 2021
Due to micro and small enterprises (refer note no. 43)	**113.12**	104.51
Due to Others	**3,136.76**	4,671.73
Total	**3,249.88**	4,776.24
Ageing of Trade Payables		
Outstanding for following periods from due date of invoice		
Due to Others		
Less than 1 year	**3,069.96**	4,436.80
Less than 1 year - Unbilled	**14.74**	3.36
1-2 years	**28.76**	218.64
2-3 years	**21.18**	4.10
More than 3 years	**2.12**	8.83
Total	**3,136.76**	4,671.73
Due to Micro and Small Enterprises		
Less than 1 year	**113.12**	104.51
1-2 years	**-**	-
2-3 years	**-**	-
More than 3 years	**-**	-
Total	**113.12**	104.51

23) CURRENT FINANCIAL LIABILITIES - OTHER

	As at March 31, 2022	As at March 31, 2021
Current maturities of long-term borrowing	**197.89**	190.76
Interest accrued but not due	**1.65**	1.64
Security deposits	**17.50**	16.00
Creditors for capital supplies/services	**766.92**	533.73
Employees benefits payables	**211.03**	270.34
Other payables	**710.86**	299.28
Total	**1,905.85**	1,311.75

24) OTHER CURRENT LIABILITIES

	As at March 31, 2022	As at March 31, 2021
Advance received from customers	**38.72**	30.89
Statutory Dues (including provident fund and tax deducted at source)	**71.34**	20.98
Others	**28.21**	17.84
Total	**138.27**	69.71

Notes forming part of the Standalone Financial Statements

(` in Lakhs)

25) PROVISIONS

		As at March 31, 2022	As at March 31, 2021
Provision for employee benefits			
Gratuity		9.39	4.53
Leave encashment		12.26	4.23
	Total	21.65	8.76

26) OTHER CURRENT LIABILITIES

		As at March 31, 2022	As at March 31, 2021
Provision for tax (Net of advance tax)		318.44	211.22
	Total	318.44	211.22

27) REVENUE FROM OPERATIONS

		Year Ended March 31, 2022	Year Ended March 31, 2021
Sale of Products		27,735.68	28,523.78
Other operating revenues			
Scrap sales		139.17	40.10
Export Incentive		63.40	439.85
Visual & Concepts		6.00	12.00
	Total	27,944.25	29,015.73

28) OTHER INCOME

		Year Ended March 31, 2022	Year Ended March 31, 2021
Interest Income			
On fixed deposit		65.55	13.33
Others		53.55	58.42
Recovery of bad debts earlier written off		62.37	70.00
Sundry balances written back		4.94	-
Reversal of expected credit loss		0.03	11.72
Net gain on foreign currency transaction and translation		337.12	767.90
Miscellaneous income		43.06	85.54
	Total	566.62	1,006.91

29) COST OF MATERIAL CONSUMED

		Year Ended March 31, 2022	Year Ended March 31, 2021
Raw material consumption			
Opening stock		3,926.45	1,316.61
Add: Purchases		18,316.38	20,567.46
		22,242.83	21,884.07
Less : Closing stock		4,914.14	3,926.45
	Sub - Total	17,328.69	17,957.62
Packing materials consumption			
Opening stock		51.04	57.11
Add: Purchases		243.91	181.75
		294.95	238.86
Less : Closing stock		99.19	51.04
	Sub - Total	195.76	187.82
	Total	17,524.45	18.145.44

Notes forming part of the Standalone Financial Statements

(` in Lakhs)

	Year Ended March 31, 2022	Year Ended March 31, 2021
30) CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS		
Opening Inventories		
Finished goods	**145.79**	885.38
Work-in-progress	**2,965.62**	2,307.94
	3,111.41	3,193.32
Closing Inventories		
Finished goods	**808.43**	145.79
Work-in-progress	**4,829.25**	2,965.62
	5,637.68	3,111.41
Total	**(2,526.27)**	81.91
31) EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages	**1,952.09**	1,667.12
Contribution to Provident and Other Funds	**112.80**	98.39
Staff welfare expenses	**156.35**	116.29
Total	**2,221.24**	1,881.80
32) FINANCE COSTS		
Interest expense	**315.45**	220.08
Other borrowing cost	**27.26**	78.44
Total	**342.71**	298.52
33) OTHER EXPENSES		
Stores and spares consumed	**324.93**	362.42
Power and fuel	**1,276.03**	1,096.45
Rent	**158.19**	133.10
Repairs and Maintenance:		
Building	**42.96**	50.56
Machinery	**94.50**	121.04
Others	**61.41**	26.08
Insurance	**66.91**	50.55
Commission on sales	**185.04**	270.54
Job work charges	**159.01**	150.38
Packing, freight and forwarding	**434.59**	602.82
Payment to auditors (Refer Note No. 44)	**5.00**	5.08
Loss on sale of fixed asset	**-**	6.53
Corporate Social Responsibility Expenses (Refer Note No. 48)	**17.50**	-
Legal and professional fees	**215.55**	197.12
Rates and taxes	**29.12**	25.13
Security and labour charges	**186.78**	142.10
Directors' sitting fees	**0.99**	0.79
Bad Debts	**-**	11.57
Miscellaneous Expenses	**457.01**	402.20
Total	**3,715.52**	3,654.46

Notes forming part of the Standalone Financial Statements

(` in Lakhs)

34) CAPITAL COMMITMENTS & CONTINGENT LIABILITIES NOT PROVIDED FOR

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Capital Commitments:		
Estimated amounts of contracts remaining to be executed on capital account (net of advances) and not provided for	**708.71**	199.36
(b) Contingent liabilities not provided for :		
i Corporate guarantee given for loan taken by Holding Company (to the extent amount utilised)	**2,068.18**	1,632.17
ii Disputed tax Matters :		
Excise duty demand disputed in appeal	**5.00**	5.00
Sales tax demand disputed in appeal	**407.05**	-
Service tax demand disputed in appeal	**3.40**	3.40

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, 2022	Year Ended March 31, 2021
Net profit as per the statement of profit and loss available for Equity Shareholders (in `)	**4,652.12**	3,537.14
Number of Equity Shares outstanding	**2,25,00,000**	2,00,00,000
Weighted average number of Equity Shares for Earnings Per Share computation:	**2,00,82,192**	2,00,00,000
Nominal value of equity shares (in `)	**10.00**	10.00
Earnings Per Share:		
Basic (in `)	**23.17**	17.69
Diluted (in `)	**23.17**	17.69

36) CIF VALUE OF IMPORTS

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Raw Materials/Packing Material	**11,303.85**	14,197.89
Traded Goods	**-**	294.40
Capital Goods	**25.29**	95.32
Total	**11,329.14**	14,587.61

Notes forming part of the Standalone Financial Statements

(` in Lakhs)

37) EXPENDITURE IN FOREIGN CURRENCY

Particulars	**Year Ended March 31, 2022**	Year Ended March 31, 2021
Commission	**140.29**	219.58
Bank Interest on Buyers Credit	**14.76**	13.42
Traveling Expenses	**5.80**	6.16
Plant Inspection Charges	**21.63**	41.79
Product Registration Charges	**17.32**	4.82
Professional Charges	**3.27**	1.75
Others	**19.44**	24.02
Total	**222.52**	311.55

38) EARNINGS IN FOREIGN CURRENCY

Particulars	**Year Ended March 31, 2022**	Year Ended March 31, 2021
FOB Value of Exports	**14,599.70**	19,010.20
Total	**14,599.70**	19,010.20

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, 2022**	Year Ended March 31, 2021
Employer’s contribution to provident fund	**105.57**	90.59
Employer’s contribution to Labour welfare fund	**0.26**	0.23
Employer’s contribution to ESIC	**6.98**	7.57
Total	**112.80**	98.39

B) Defined Benefit plan

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

Notes forming part of the Standalone Financial Statements

(` in Lakhs)

Part A : Gratuity Benefits (Unfunded)

Particular	As at March 31, 2022	As at March 31, 2021
Present value of the projected benefit obligation		
Present value of benefit obligation at the beginning of the year	291.21	266.40
Interest cost	20.27	18.17
Current service cost	25.95	24.32
Benefit paid directly by the employer	(11.35)	(3.58)
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	(5.05)	-
Actuarial (gains)/losses on obligations - due to change in financial assumptions	(30.53)	(4.12)
Actuarial (gains)/losses on obligations - due to experience	46.06	(9.97)
Present value of benefit obligation at the end of the year	**336.57**	**291.21**
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, exluding 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	(336.57)	291.21
Fair value of plan assets at the end of the year	-	-
Funded status surplus / (deficit)	(336.57)	291.21
Liability/(Asset) recognised in the Balance Sheet	**(336.57)**	**291.21**
Net interest cost for the current year		
Present value benefit obligation at the beginning of the year	291.21	266.40
Fair value of plan assets at the beginning of the year	-	-
Net liability / (asset) at the beginning	291.21	266.40
Interest cost	20.27	18.17
Interest income	-	-
Interest cost for the current year	**20.27**	**18.17**
Expenses recognised in the statement of profit or loss for the current year		
Current service cost	25.95	24.32
Net interest cost	20.27	18.17
Past service cost	-	-
Expenses recognised	**46.22**	**42.49**
Expenses recognized in the other comprehensive income (OCI) for the current year		
Actuarial (gains)/losses on obligation for the period	10.48	(14.10)
Return on plan assets, excluding interest income	-	-
Change in asset ceiling	-	-
Net (income)/expense for the period recognized in OCI	**10.48**	**(14.10)**

Notes forming part of the Standalone Financial Statements

(` in Lakhs)

Particular	As at March 31, 2022	As at March 31, 2021
Balance sheet reconciliation		
Opening net liability	291.21	266.40
Expenses recognized in statement of profit or loss	46.22	42.49
Expenses recognized in OCI	10.48	(14,10)
Benefits paid directly by employer	(11.35)	(3.58)
Net liability / (asset) recognised in the balance sheet	**336.57**	**291.21**
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	9.39	4.53
2nd following year	28.68	4.89
3rd following year	20.84	26.48
4th following year	18.09	16.72
5th following year	24.24	12.24
Sum of years of 6 to 10	177.78	135.69
Sum of years of 11 and above	415.66	476.52

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	336.57	291.21
Delta effect of + 1% change in rate of discounting	(26.15)	(14.04)
Delta effect of - 1% change in rate of discounting	29.80	15,14
Delta effect of + 1% change in rate of salary increase	29.92	15.04
Delta effect of - 1% change in rate of salary increase	(26.68)	(14.07)
Delta effect of + 1% change in rate of employee turnover	3.78	0.92
Delta effect of - 1% change in rate of employee turnover	(4.23)	(0.98)
Assumptions used to determine the benefit obligations:		
Discount rate	7.23%	6.96%
Rate of increase in compensation levels	5.25%	6.00%
Rate of employee turnover	For Service 4 years and Below 16.50% p.a For Service 5 years and above 2.00 % p.a	1.00%
Mortality rate during employment	Indian Assured Lives Mortality (2012-14)Urban	Indian Assured Lives Mortality (2006-08)Ultimate

Notes forming part of the Standalone Financial Statements

(` in Lakhs)

Part B : Leave Encashment (Unfunded)

Particular	As at March 31, 2022	As at March 31, 2021
Present value of projected benefit obligation		
Present value of projected benefit obligation at the beginning of the year	78.36	71.30
Interest cost	5.45	4.86
Service cost	10.10	9.79
Actuarial (gain)/ losses on obligations - due to change in demographic assumptions	3.06	-
Actuarial (gain)/ losses on obligations - due to change in financials assumptions	(8.93)	(1.48)
Actuarial (gain)/ losses on obligations - due to experience	13.97	0.33
Benefits paid	(11.33)	(6.45)
Obligation at the year end	**90.67**	**78.36**
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	8.09	(1.15)
Return on plan assets, excluding interest income	-	-
Sub- Total	8.09	(1.15)
Actuarial loss recognised	**8.09**	**(1.15)**
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	(90.67)	(78.36)
Fair value of plan assets at the end of the year	-	-
Funded status (surplus/(dedicit)	(90.67)	(78.36)
Unrecognised past service cost at the end of the year	-	-
Net (Liability)/Asset recognised in the balance sheet	**(90.67)**	**(78.36)**
Interest cost for the current year		
Present value of the defined benefit obligations at the beginning of the year	78.36	71.30
Fair value of plan assets at the beginning of the year	-	-
Net (Liability)/asset at the beginning	78.36	71.30
Interest cost	5.45	4.86
Interest income	-	-
Net interest cost for current year	**5.45**	**4.86**

Notes forming part of the Standalone Financial Statements

(` in Lakhs)

Particular	As at March 31, 2022	As at March 31, 2021
Expenses recognised in the statement of profit or loss for the current year		
Current service cost	10.10	9.79
Net interest cost	5.45	4.86
Acturial (gains) / losses	8.09	(1.15)
Expenses recognised in the statement of profit or loss	**23.64**	**13.51**
Balance sheet reconciliation		
Opening net liability	78.36	71.30
Expenses recognised in the statement of profit or loss	23.64	13.51
Employers contribution	-	-
Benefits paid directly by employer	(11.33)	(6.45)
Net liability / (assets) recognised in the balance sheet	**90.67**	**78.36**
Category of assets	-	-
NIL, as funding status in unfunded		
Assumptions used to determine the benefit obligations:		
Discount rate	7.23%	6.96%
Rate of increase in compensation levels	5.25%	6.00%
Rate of employee turnover	For Service 4 years and Below 16.50% p.a For Service 5 years and above 2.00 % p.a	1.00%
Mortality rate during employment	Indian Assured Lives Mortality (2012-14)Urban	Indian Assured Lives Mortality (2006-08)Ultimate

40) RELATED PARTY DISCLOSURES

Names of related parties where control exists:	
Holding Company	Kopran Limited
Key Management Personnel (KMP)	Vandana Somani (Director) Sunita Banerji (Director) Mamta Biyani (Director) Chandra M Singhi (Director) Rakesh Doshi (Director) Chandani Shah (Company Secretary) (w.e.f. June 08,2021) Ahren A Rodrigues (Company Secretary) (till May 10,2021) Lekha Jogi (CFO)
Enterprises significantly influenced by KMP or their relative (With whom there are transaction)	Oricon Enterprises Limited United Shippers Limited Shri S. K. Somani Memorial Charitable Trust

Notes forming part of the Standalone Financial Statements

(` in Lakhs)

Nature of Transaction	Holding Company		Key Management Personnel		Enterprises significantly influenced by KMP or their relative		Total	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Loan Taken								
Kopran Limited	15,537.65	427.15	-	-	-	-	15,537.65	427.15
United Shippers Limited	-	-	-	-	2,500.00	-	2,500.00	-
Total	**15,537.65**	**427.15**	**-**	**-**	**2,500.00**	**-**	**18,037.65**	**427.15**
Repayment of Loan Taken								
Kopran Limited	15,537.65	427.15	-	-	-	-	15,537.65	427.15
Oricon Enterprises Limited	-	-	-	-	-	240.00	-	240.00
United Shippers Limited	-	-	-	-	2,500.00	-	2,500.00	-
Total	**15,537.65**	**427.15**	**-**	**-**	**2,500.00**	**240.00**	**18,037.65**	**667.15**
Loan Given								
Kopran Limited	3,388.93	3,454,69	-	-	-	-	3,388.93	3,454,69
Oricon Enterprises Limited	-	-	-	-	6,025.25	-	6,025.25	-
Total	**3,388.93**	**3,454.69**	**-**	**-**	**6,025.25**	**-**	**9,414.18**	**3,454.69**
Repayment of Loan Given								
Kopran Limited	2,602.73	4,368.47	-	-	-	-	2,602.73	4,368.47
Oricon Enterprises Limited	-	-	-	-	6,025.25	-	6,025.73	-
Total	**2,602.73**	**4,368.47**	**-**	**-**	**6,025.25**	**-**	**8,627.98**	**4,368.47**
Equity Shares Issued								
Kopran Limited	10,000.00	-	-	-	-	-	10,000.00	-
Total	**10,000.00**	**-**	**-**	**-**	**-**	**-**	**10,000.00**	**-**
Sales	545.99	874.76	-	-	-	-	545.99	874.76
Kopran Limited	**545.99**	874.76	**-**	**-**	**-**	**-**	**545.99**	**874.76**
Total					-	-		
Purchases	98.19	1,242.93	-	-	-	-	98.19	1,242.93
Kopran Limited	-	-	-	-	373.50	-	373.50	-
Oricon Enterprises Limited	**98.19**	**1,242.93**	**-**	**-**	**373.50**	**-**	**471.69**	**1,242.93**
Total								
Interest Expense	126.56	-	-	-	-	-	126.56	-
Kopran Limited	-	-	-	-	-	5.80	-	5.80
Oricon Enterprises Limited	-	-	-	-	28.84	-	28.84	-
United Shippers Limited	**126.56**	-	**-**	**-**	**28.84**	**5.80**	**155.40**	**5.80**
Total								
Interest Income	-	55.37	-	-	-	-	-	55.37
Kopran Limited	-	-	-	-	52.45	-	52.45	-
Oricon Enterprises Limited	-	**55.37**	-	-	**52.45**	**-**	**52.45**	**55.37**
Total								

Notes forming part of the Standalone Financial Statements

(` in Lakhs)

Nature of Transaction	Holding Company		Key Management Personnel		Enterprises significantly influenced by KMP or their relative		Total	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Expenses								
Kopran Limited - Rent	120.00	120.00	-	-	-	-	120.00	120.00
Kopran Limited-Corporate Guarantee Expenses	62.50	62.50	-	-	-	-	62.50	62.50
Oricon Enterprises Limited - Others	-	-	-	-	-	28.51	-	28.51
Shri S. K. Somani Charitable Trust-CSR Expense	-	-	-	-	12.50	-	12.50	-
Total	**182.50**	**182.50**	-	-	**12.50**	**28.51**	**195.00**	**211.01**
Remuneration								
Chandra Mohan Singhi	-	-	40.96	45.36	-	-	40.96	45.36
Rakesh Doshi	-	-	53.76	45.95	-	-	53.76	45.95
K B Shetty	-	-	-	7.43	-	-	-	7.43
Lekha Jogi	-	-	5.49	1.62	-	-	5.49	1.62
Chandni Shah	-	-	4.47		-	-	4.47	
Ahren A Rodrigues	-	-	0.41	3.75	-	-	0.41	3.75
Total	-	-	**105.09**	**104.12**	-	-	**105.09**	**104.12**
Director Sitting Fees								
Vandana Somani	-	-	0.22	0.19	-	-	0.22	0.19
Rakesh Doshi	-	-	0.20	0.05	-	-	0.20	0.05
Sunita Banerji	-	-	0.29	0.28	-	-	0.29	0.28
Mamta Biyani	-	-	0.29	0.28			0.29	0.28
Total	-	-	**0.99**	**0.79**	-	-	**0.99**	**0.79**
Balance Receivable as at March 31	-	-						
Kopran Limited Loan	786.20	-	-	-	-	-	786.20	-
Kopran Limited Trade Receivable	-	181.96	-	-	-	-	-	181.96
Total	**786.20**	**181.96**	-	-	-	-	**786.20**	**181.96**

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, 2022, the Company has not recorded any impairment of receivables relating to amount owed by related parties (March 31, 2021: 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.

Notes forming part of the Standalone Financial Statements (` in Lakhs)

41) DISCLOSURE OF DERIVATIVES

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

Purpose		As at March 31, 2022	As at March 31, 2021
Forward exchange contracts (for export debtors)	USD	**148.35**	91.00
Forward contract value	`	**11,490.68**	6,899.04

(b) The foreign currency outstanding balances that have not been hedged by any derivative instrument or otherwise as at March 31,2022 are as follows:

Particulars	Foreign Currency Denomination	As at March 31, 2022		As at March 31, 2021	
		Foreign Currency Amount	Amount	Foreign Currency Amount	Amount
Payables	USD EURO	23.42 -	1,774.99 -	11.42 0.01	834.78 1.28

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, 2022	Year Ended March 31, 2021
Statutory audit fees	3.50	3.50
Tax audit Fees	1.50	1.50
Other matters	-	0.08
Total	**5.00**	**5.08**

45) CURRENT TAX AND DEFERRED TAX

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

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Current Tax		
Current income tax charge	1,572.68	1,254.06
Adjustments in respect of prior years	-	-
Total	**1,572.68**	**1,254.06**
Deferred Tax		
In respect of current year	59.27	(5.00)
Total	**59.27**	**(5.00)**
Total tax expense recognised in statement of profit and loss	**1,631.95**	**1,249.06**

Notes forming part of the Standalone Financial Statements

(` in Lakhs)

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

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Net profit as per statement of profit and loss account (before tax)	**6,284.08**	4,786.21
Corporate tax rate as per Income Tax Act, 1961	**25.63**	25.63
Tax on accounting profit	**1,610.33**	1,226.50
Tax difference on account of:		
Expenses not allowable under the Income Tax Act, 1961	**285.14**	259.09
Timing differences - Deferred tax assets	**59.27**	(5.00)
Expenses allowable under the Income tax Act, 1961	**(322.80)**	(231.51)
Income tax expense recognised in profit and loss	**1,631.95**	**1,249.06**

c) Movement of deferred tax

Deferred tax assets / (liabilities) in relation to the year ended March 31, 2022

Particulars	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
Relating to depreciation on fixed assets	(374.12)	(71.59)	-	(445.71)
Provision for gratuity	74.63	8.94	2.69	86.25
Provision for leave encashment	20.08	3.16	-	23.23
Provision for expected credit loss	7.51	(0.01)	-	7.50
Provision for bonus	4.60	0.23	-	4.83
Net deferred tax assets	**(267.30)**	**(59.27)**	**2.69**	**(323.89)**

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

Particulars	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
Relating to depreciation on fixed assets	(367.83)	(6.29)	-	(374.12)
Provision for gratuity	67.05	11.19	(3.61)	74.63
Provision for leave encashment	17.95	2.13	-	20.08
Provision for expected credit loss	10.33	(2.81)	-	7.51
Provision for bonus	3.82	0.78	-	4.60
Net deferred tax assets	**(268.69)**	**5.00**	**(3.61)**	**(267.30)**

Notes forming part of the Standalone Financial Statements

(` in Lakhs)

46) FAIR VALUE MEASUREMENTS

i. Financial Instruments by Category

Particulars	Carrying Amount		Fair Value	
	March 31, 2022	March 31, 2021	**March 31, 2022**	March 31, 2021
FINANCIAL ASSETS				
Level 3				
Amortised cost				
Non-current financial assets - investments	8.87	8.87	8.87	8.87
Non-current financial assets - other	90.91	88.51	90.91	88.51
Current financial assets - trade receivables	6,649.80	7,055.71	6,649.80	7,055.71
Current financial assets - cash and Cash equivalents	518.80	4.05	518.80	4.05
Current financial assets - bank balances other than cash and cash equivalents	4,896.23	306.32	4,896.23	306.32
Current financial assets - loans	786.20	-	786.20	-
Current financial assets - other	59.85	131.55	59.85	131.55
Total	**13,010.66**	**7,595.01**	**13,010.66**	**7,595.01**

FINANCIAL LIABILITIES				
Level 3				
Amortised cost				
Borrowings	4,345.79	4,860.87	4,345.79	4,860.87
Trade payables	-	-	-	-
Capital creditors	-	-	-	-
Other financial liabilities	1,905.85	1,311.75	1,905.85	1,311.75
Total	**6,251.64**	**6,172.62**	**6,251.64**	**6,172.62**

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.

Notes forming part of the Standalone Financial Statements

(` in Lakhs)

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, 2022**	As at March 31, 2021
In US $	23.42	11.42
In INR	1,774.99	836.06
In EURO	-	0.01
In INR	-	1.28
Conversion date of US $ & EURO is	**March 31, 2022**	March 31, 2021

Foreign exchange risk sensitivity:

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 1% against the relevant currency:

Particulars	**As at March 31, 2022**		March 31, 2021	
	1% strengthen	**1% weakening**	1% strengthen	1% weakening
Foreign currency payable	**(17.75)**	**17.75**	(8.37)	8.37

Notes forming part of the Standalone Financial Statements

(` in Lakhs)

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 ` 6,649.80 and ` 7,055.71 as of March 31, 2022 and March 31, 2021 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 charged 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, 2022, The Company had a working capital of ` 18,614.05 lakhs including cash and cash equivalent of ` 518.80 lakhs.

As of March 31, 2021, The Company had a working capital of ` 7,165.39 lakhs including cash and cash equivalent of ` 4.05 lakhs.

48) CORPORATE SOCIAL RESPONSIBILITY

As per section 135 of the Companies Act 2013, a company meeting the applicability threshold, needs to spend at least 2% of average net profit for the immediately preceding three financial years on corporate social responsibility(CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief, Covid 19 relief and rural development projects. The funds were primarily utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013:

Particulars	**As at March 31,2022**	As at March 31,2021
i) Amount required to be spent by the company during the year	14.46	-
ii) Amount of Expenditure incurred	17.50	-
iii) Shortfall at the end of the year	-	-
iv) Total of Previous years Shortfall	-	-
v) Reason for Shortfall	-	-
vi) Nature of CSR Activities	Covid 19 relief projects, Covid 19 Vaccination, Infrastructure Support to hospital, Contribution for Schedule VII Activities, Construction of old age home, Environmental Sustainability, Health Care, Food Distribution for Poor, etc.	
vii) Details of related party transactions, e.g. Contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	12.50	-
viii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown	N. A.	N. A.

Notes forming part of the Standalone Financial Statements

49) ANALYTICAL RATIOS

Particulars	Formula	2021-22	2021-22	% Change During the Year	Reason for Change
1. Current Ratio	Current Assets/ Current Liabilities	3.24	1.77	83%	Increase in Working Capital
2. Debt-Equity Ratio	Total Debt/ Shareholders Equity	0.14	0.28	-52%	Increase in Share Capital
3. Debt Service Coverage Ratio	Earning available for Debt Service / Debt Service	11.72	9.24	27%	Increase in Profit
4. Return on Equity	Net Profit After Tax/ Average Shareholder's Equity	0.19	0.23	-17%	
5. Inventory Turnover Ratio	Net Profit After Tax/ Average Inventory	1.66	3.09	-46%	Increase in Inventory
6. Trade Receivables Turnover Ratio	Net Credit Sales/ Average Accounts Receivables	4.08	4.79	-15%	
7. Trade Payables Turnover Ratio	Net Credit Purchase/ Average Trade Payables	4.88	6.11	-20%	
8. Net Capital Turnover Ratio	Net Sales/ Average Working Capital	2.17	4.77	-55%	Increase in Share Capital
9. Net Profit Ratio	Net Profit/ Net Sales	0.22	0.18	36%	Increase in Profit
10. Return on Capital Employed	EBIT/ Capital Employed	0.18	0.23	-20%	
10. Return on Investment	Net Profit After Tax/ Average Total Assets	0.13	0.14	-4%	

50) OTHER STATUTORY INFORMATION

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any identified transaction with struck off company during the year.

(iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company has not advanced or loaned or invested funds to any other person(s) or entity, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(vi) The Company has not received any fund from any person or entity.

(vii) The Company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income-tax Act, 1961

(viii) The company is not declared as wilful defaulter by any bank or financial institution or other lender.

(ix) The title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

(x) The company is in compliance with the number of layers prescribed under clause (87) of section 2 of the companies Act, 2013 read with the Companies (Restriction on number of Layers) rules, 2014.

Notes forming part of the Standalone Financial Statements

51) MISCELLANEOUS NOTE

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 has notified certain amendments to existing Ind AS via notification dated 23 March 2022. The same shall come into force from annual reporting period beginning on or after *1st April 2022* which the Company has not applied as they are not effective for annual period beginning on or after 1 April 2021.

Key synopsis are as under:

– Ind AS 16 Property, Plant and Equipment - For items produced during testing/trail phase, clarification added that revenue generated out of the same shall not be recognised in statement of profit and loss and considered as part of cost of PPE.

– Ind AS 37 Provisions, Contingent Liabilities & Contingent Assets - Guidance on what constitutes cost of fulfilling contracts (to determine whether the contract is onerous or not) is included.

– Ind AS 101 - First time Adoption of Ind AS - Measurement of Foreign Currency Translation Difference in case of subsidiary/associate/ JV's date of transition to Ind AS is subsequent to that of Parent - FCTR in the books of subsidiary/associate/JV can be measured based Consolidated Financial Statements.

– Ind AS 103 - Business Combination - Reference to revised Conceptual Framework. For contingent liabilities/ levies, clarification is added on how to apply the principles for recognition of contingent liabilities from Ind AS 37 Recognition of contingent assets is not allowed.

– Ind AS 109 Financial Instruments - The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability.

While preparing the financial statement for the year ended 31 March 2022, the above amendments are not considered for disclosure as standards notified by Ministry of Corporate Affairs, but not yet effective, in accordance with IND AS.

52) The figures for the comparative year / periods have been regrouped wherever necessary, to conform to the current year's classification.

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

Lekha Jogi
Chief Financial Officer

Ganesh Toshniwal
Partner
Membership No. 046669

Mumbai
May 26, 2022

Chandra M. Singhi
Director
DIN : 01793293

Vandana Somani
Director
DIN: 01218254

Mrs. Chandni Shah
Company Secretary