



Kopran

Kopran Research Laboratories Ltd.

Annual Report 2022-23



**ONE DIRECTION,
ENDLESS OPPORTUNITIES.**





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BOARD OF DIRECTORS:

Mr. Chandra M. Singhi
Mrs. Mamta Biyani
Mr. Rakesh Doshi
Dr. Sunita Banerji
Mrs. Vandana Somani

Whole-Time Director (Chairman)
Independent Director
Director
Independent Director
Director

CHIEF FINANCIAL OFFICER:

Ms. Lekha Bhuchhada

COMPANY SECRETARY:

Mrs. Chandni Shah

STATUTORY AUDITORS:

M/s. NGS & Co. LLP,
Chartered Accountants.

COST AUDITORS:

M/s. Dilip M. Malkar & Co.,
Cost Accountants.

BANKERS:

State Bank of India
YES Bank Limited
RBL Bank Limited

REGISTRAR & TRANSFER AGENT:

M/s Bigsghare Services Pvt. Ltd.
Mumbai

REGISTERED OFFICE:

“Parijat House”,
1076, Dr. E. Moses Road, Worli,
Mumbai – 400018.
Tel. No.: 022-43661111

API UNIT:

K-4/4, Additional MIDC,
At/Post : Birwadi, Taluka: Mahad
Dist.: Raigad, Maharashtra– 402302.
Tel. No.: 02145-251101

Directors Report

Dear Members,

Your Directors have pleasure in presenting their 37th Annual Report together with the Audited Statement of Accounts for the year ended on March 31, 2023.

1. Financial Performance

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Total Revenue	32,788	28,511	32,788	28,511
Less Expenses	31,694	22,227	31,696	22,228
Profit before Exceptional Items and Tax	1,094	6,284	1,092	6,283
Less Exceptional Items	-	-	-	-
Profit Before Tax	1,094	6,284	1,092	6,283
Tax Expenses	316	1,632	316	1,633
Net Profit/(Loss) for the period	778	4,652	776	4,650
Other Comprehensive Income/(Loss) for the Year	6	(8)	6	(8)
Total Comprehensive Income/(Loss) for the Year	784	4,644	783	4,642

2. Operations of the Company

A. Standalone

Standalone Total Revenue was ₹ **32,788** lakhs as against the previous year's figures of ₹ 28,511 lakhs, increased by 15 %. Profit before tax was ₹ **1,094** lakhs decreased by 82.60 % over the previous year's figures of ₹ **6,284** lakhs. Total Comprehensive Income was ₹ **784** lakhs decreased by 83.12 % over the previous year's figures of ₹ **4,644** lakhs.

B. Consolidated

Consolidated Total Revenue was ₹ **32,788** lakhs as against the previous year's figures of ₹ **28,511** lakhs, increased by 15 %. Profit before tax was ₹ **1,092** lakhs decreased by 82.62 % over the previous year's figures of ₹ **6,283** lakhs. Total Comprehensive Income was ₹ **783** lakhs decreased by 83.13% over the previous year's figures of ₹ **4,642** lakhs.

3. Dividend

The Directors of your Company recommend a Final dividend of ₹ 2.20 (22%) per Equity share having face value of ₹ 10 each, subject to the approval of the Members.

4. Share Capital

The Authorized and Paid up Equity Share Capital of the Company as on March 31, 2023 is ₹ 25.00 Crores. The Company has not issued any shares during the current financial year.

5. Utilization of funds of Rights Issue

The Capital raised by the Company through Rights Issue is utilised to augment the existing manufacturing capacities by incurring Capital expenditure of ₹ 1,348.30 lakhs and ₹ 4,048.00 lakhs was utilized towards the working capital requirements as on March 31, 2023.

6. Subsidiaries, Associates and Joint Ventures

The Company has incorporated a wholly owned subsidiary Kopran (UK) Limited registered in the United Kingdom. Salient features and financial summary is provided as a separate section in **Annexure A** of this Report.

7. Directors & Key Managerial Personnel (KMP)

In accordance with the provisions of Section 152 of the Companies Act 2013, Mrs. Vandana Somani (DIN: 01218254), Director retires by rotation, at the ensuing AGM who being eligible, offers herself for re-appointment as Director of the Company.

Composition and other details of Board of Directors on March 31, 2023 are as below:

Name of Director	DIN	Category/Position	
Mr. Chandra Mohan Singhi	01793293	Whole-time Director	Chairman
Mr. Rakesh Doshi	00359832	Non-Executive Director	Director
Mrs. Mamta Biyani	01850136	Non-Executive Director	Independent Director
Dr. Sunita Banerji	02476075	Non-Executive Director	Independent Director
Mrs. Vandana Somani	01218254	Non-Executive Director	Director

Key Managerial Personnel of the Company

Mr. Chandra Mohan Singhi, Whole Time Director, Mrs. Lekha Jogi, Chief Financial Officer & Mrs Chandni Shah, Company Secretary are the Key Managerial Personnel of the Company.

All Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 ('the Act'). In the opinion of the Board, they fulfill the conditions of independence as specified in the Act and the Rules made there under and are independent of the management.

8. Performance Evaluation

Pursuant to provisions of the Companies Act, 2013 the Board has carried out an Annual Evaluation of its own performance, performance of the Individual Directors as well as the Evaluation of the working of its Committees.

A separate meeting of Independent Directors of the Company, without the attendance of Non-Independent Directors and members of management, was held on February 09, 2023 as required under Schedule IV to the Companies Act, 2013 (Code for Independent Directors).

The Board expressed their satisfaction with the evaluation process & the Directors performance.

9. Meetings of the Board

The Board had met Seven times during the financial year 2022-23 on the following dates:

Name of Director	Board Meeting Dates alongwith attendance of Directors							No. of Meetings Attended
	26.05.2022	09.08.2022	12.09.2022	27.09.2022	10.11.2022	23.11.2022	09.02.2023	
Mr. Chandra Mohan Singhi	✓	✓	✓	✓	✓	✓	✓	7
Mr. Rakesh Doshi	✓	✓	✓	✓	✓	✓	✓	7
Mrs. Mamta Biyani	✓	X	✓	✓	X	✓	✓	5
Dr. Sunita Banerji	✓	✓	✓	✓	✓	✓	✓	7
Mrs. Vandana Somani	✓	✓	✓	✓	✓	✓	✓	7

10. Audit Committee

The Audit Committee comprises of Dr. Sunita Banerji, Independent Director as Chairman, Mrs. Mamta Biyani, Independent Director and Mr. Chandra Mohan Singhi, Whole-time Director as Members. The Committee inter alia reviews the Internal Control System and compliance of various regulations including related party transactions, scrutiny of loans, investments and major financial transactions. The Committee also reviews in detail the Financial Statements before they are placed before the Board. During the year, there are no instances where the Board had not accepted the recommendations of the Audit Committee. During the financial year 2022-23, Four meetings of Audit Committee were held on the following dates: May 26, 2022, August 9, 2022, November 6, 2022, February 9, 2023.

11. Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises of Dr. Sunita Banerji, Independent Director as Chairman, Mrs. Vandana Somani, Director and Mrs. Mamta Biyani, Independent Director as Members. During the financial year 2022-23, two meetings of Nomination and Remuneration Committee were held on the following dates: May 26, 2022 and February 8, 2023.

12. Corporate Social Responsibility

In compliance with requirements of Section 135 of the Act, the Company has laid down a CSR Policy. The composition of the Committee, contents of CSR Policy and report on CSR activities carried out and amount spent during the financial year ended March 31, 2023 in the format prescribed under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed herewith as **Annexure C**. As per the CSR Rules, the CSR mandate to spend and actual CSR spend by the Company during the FY 22-23 is Rs. 64.10 Lacs.

13. Deposits

During the financial year, the Company has not accepted any deposits from the public and as such, there are no outstanding deposits in terms of the Companies (Acceptance of Deposits) Rules, 2014.

14. Risk Management and Internal Financial Control Systems and their adequacy

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its Business & risk management including adherence to the Company's Policies, the safeguarding of its Assets, the prevention and detection of frauds and errors, the accuracy and the completeness of the accounting records and timely preparation of reliable financial disclosure and other regulatory and statutory compliances and there were no instance of fraud during the year under review. The Company's internal control systems are commensurate with the nature of its business, the size and complexity of its operations and such internal financial controls with reference to the Financial Statements are adequate. The Company has implemented robust processes to ensure that all internal financial controls are effectively working.

15. Related Party Transactions

All Related Party Transactions that were entered into during the financial year were in ordinary course of business, on arm's length basis, of repetitive nature and the transactions proposed to be entered during the financial year are placed before the

Audit Committee for prior omnibus approval at the commencement of financial year. A statement giving details of all Related Party Transactions are placed before the Audit Committee on quarterly basis for their approval. There are no materially significant related party transactions made by the Company which may have potential conflict with the interest of the Company and hence, enclosing of Form AOC-2 is not required. Suitable disclosure as required by the Indian Accounting Standard (Ind-AS 24) has been made in the Notes to the Financial Statements.

16. Auditors

a) Statutory Auditors

In compliance with the Companies (Audit and Auditors) Rules, 2014, M/s NGS & Co. LLP Chartered Accountants (Firm Registration No.119850W) were appointed as Statutory Auditors of the Company for a period of five consecutive years from the conclusion of 36th AGM to the conclusion of 41st AGM. Further, the report of the Statutory Auditors along with notes to Schedules is a part of the Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

b) Secretarial Auditors

Pursuant to Regulation 24A of the SEBI (LODR) Regulations, 2015 as amended, M/S. P.P. Singh & CO, Practicing Company Secretary (Membership No. F11584, COP No.15570) were appointed as Secretarial Auditors of the Company for the financial year 2022-23. M/S. P.P. Singh & CO, Practicing Company Secretary has issued the Secretarial Audit Report for financial year ended March 31, 2023, given in **Annexure B**. Secretarial Audit Report for financial year ended March 31, 2023 do not contain any qualification, reservation or adverse remark. The Board has appointed Ms Mayuri Thakkar, Practicing Company Secretary having Membership No. F12337 (COP No. 26189, Peer Review Certificate no. 2858/2022) as Secretarial Auditors for the financial year 2023-24.

c) Cost Auditors

M/s Dilip M. Malkar & Co., Cost Accountants (Firm Registration No. 101222) have been re-appointed as Cost Auditor for conducting audit of the cost records maintained by the Company for the FY 2023-24. The Company has made and maintained the cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013.

17. Directors Responsibility Statement

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

- i. In preparation of the annual accounts for the financial year ended March 31, 2023, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. They have selected such accounting policies listed in the financial statements and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year as on March 31, 2023 and of the profit of the Company for that period;
- iii. They have taken proper and sufficient care for maintenance of adequate accounting records in accordance of the Company and for preventing and detecting fraud and other irregularities;
- iv. They have prepared the annual accounts on a going concern basis;
- v. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

18. Loans, Investments and Guarantee

Particulars of Loans given, Investments made and Guarantees given along with the purpose for which the loan or guarantee is proposed to be utilized by the recipient are provided in the Notes to Financial Statements.



19. Material changes

There have been no material changes and commitments affecting the financial position of the Company since the close of financial year i.e. March 31, 2023.

20. Conservation of Energy, Technology Absorption & Foreign Exchange Earnings and Outgo

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

21. Particulars of Employees and Related Disclosures

The Board of Directors wishes to express its appreciation for the outstanding contribution made by the employees to the operations of the Company during the year. The Company maintains cordial relationship with its employees.

22. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

During the financial year the Company has not received any complains of sexual harassment of employees from any of the permanent, contractual, temporary or trainees.

23. Credit Rating

CRISIL has assigned rating as under of the Company:

Total Bank Loan Facilities Rated	:	₹ 83.5 Crore
Long-Term Rating	:	CRISIL BBB+/Stable (Reaffirmed)
Short-Term Rating	:	CRISIL A2 (Reaffirmed)

24. Other Disclosures

- No amount is transferred to General Reserve
- There was no change in nature of Business
- There were no significant/material orders passed by the Regulators or Courts or Tribunals impacting going concern status of the Company and its operations in future

On behalf of the Board of Directors
Kopran Research Laboratories Limited

Chandra Mohan Singhi
Whole Time Director
DIN: 01793293

Vandana Somani
Director
DIN: 01218254

Date: May 24, 2023
Place: Mumbai

ANNEXURE A
(TO THE DIRECTOR'S REPORT)

FORM AOC-1

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

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

Part "A" : Subsidiaries

(Fig in INR)

1	Name of Subsidiary & CIN No.	Kopran (UK) Limited
2	Reporting Period for the Subsidiary Concerned, if different from holding company's reporting period	01-04-2022 to 31-03-2023
3	Reporting Currency and Exchange rate as on the last date of the relevant financial year in the case of Foreign subsidiaries.	GBP
		₹ 101.64 = 1 GBP
4	Share Capital	8,87,325
5	Reserves & Surplus	(6,00,069)
6	Total Assets	2,87,256
7	Total Liabilities	2,87,256
8	Investment	Nil
9	Turnover	-
10	Profit Before Taxation	(1,62,345)
11	Provision for Taxation	-
12	Profit after Taxation	(1,62,345)
13	Proposed Dividend	Nil
14	% of Shareholding	100%

Part "B": Associates and Joint Ventures : None

ANNEXURE B
(TO THE DIRECTOR'S REPORT)
FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Managerial Personnel) Rules, 2014

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other documents/records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance - mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023, according to the provisions of:

- (i) The Companies Act, 2013 (hereinafter called the “**Act**”) and the rules made thereunder;
- (ii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (iii) Other laws applicable specifically to the Company a list of which has been provided by the management namely:
 - Drugs and Cosmetics Act, 1940 and Rules made there-under;
 - Drugs Price Control Order, 2013;
 - National Pharmaceuticals Pricing Policy, 2012;
 - The Pharmacy Act, 1948;
 - The Narcotic Drugs and Psychotropic Substances Act, 1985;
 - The Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954;
 - Food Safety and Standards Act, 2006.

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



We have also examined compliance with Secretarial Standards with respect to Board and General Meetings (SS-1 and SS-2) specified by The Institute of Company Secretaries of India;

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

We further report that:

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

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

During the period under review, resolutions were carried through majority. As confirmed by the Management, there were no dissenting views expressed by any of the members on any business transacted at the meetings held during the period under review.

We further report that, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has no major events.

FOR P. P. SINGH & CO.

PUSHPENRDA PRATAP SINGH

Practicing Company Secretary

UDIN:F011584E000375631

Membership No: F11584

COP No: 15570

Date: May 25, 2023

Place: Mumbai

Note:

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



ANNEXURE I

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

MANAGEMENT'S RESPONSIBILITY

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

AUDITOR'S RESPONSIBILITY

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we, followed provide reasonable bases for our opinion.
4. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion. Our examination was limited to the verification of procedures on test basis.
5. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

DISCLAIMER

6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted affairs of the Company.
7. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
8. Our report of even date is to be read along with this letter.

FOR P. P. SINGH & CO.

PUSHPENRDA PRATAP SINGH
Practicing Company Secretary

UDIN:F011584E000375631
Membership No: F11584
COP No: 15570

Date: May 25, 2023
Place: Mumbai

Annexure C

Annual Report on Corporate Social Responsibility (CSR) Activities

1. A brief outline of the Company's CSR policy: The Company's CSR Policy provides for carrying out any CSR activities as specified in the Schedule VII of the Companies Act, 2013 or any amendment thereto or modification thereof.

2. The Composition of the CSR Committee:

SL No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Dr. Sunita Banerji	Chairperson/Independent Director	2	2
1.	Mr. Chandra Mohan Singhi	Member/Director	2	2
1.	Mr. Rakesh Doshi	Member/Director	2	2

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: No Website of the Company

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable: Not applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be setoff for the financial year, if any (in ₹)
1.	2021-2022	3,03,880	3,03,880

6. Average net profit of the Company for last three financial years as per section 135(5): ₹ 33,54,60,428

7. (a) Two percent of average net profit of the company as per section 135(5): ₹ 67,09,209

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.: NIL

(c) Amount required to be set off for the financial year, if any: ₹ 3,03,880

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 64,10,000

8. (a) Details of CSR spent during the financial year:

Total Amount Spent for the Financial Year. (In ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
64,10,000	-	-	-	-	-

(b) Details of CSR amount spent against ongoing projects for the financial year:

Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No)	Location of the project.		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial year (in ₹)	Amount transferred to Unspent CSR account for the project as per section 135(6)(in ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				Location of the project.	Location of the project.						Name	CSR Registration Number
1.												
Total												



(c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No)	Location of the project.		Amount spent for the project (in ₹)	Mode of implementation-Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1.	Eradicating hunger, poverty and malnutrition	(i)	Yes	Maharashtra	Mumbai	10,00,000	No	Anant Trust	CSR 00017030
2.	Contribution for Schedule VII Activities	(i), (ii)	Yes	Maharashtra	Mumbai	5,00,000	Yes	-	-
3.	Helping Blind and Handicapped People	(ii)	Yes	Maharashtra	Mumbai	49,10,000	No	Omkar Andh Apang Samajik Sanstha	CSR 00003196
Total						64,10,000			

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: NA

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 64,10,000

(g) Excess amount for set off, if any

Sr. No.	Particulars	Amount
(i)	Two percent of average net profit of the company as per section 135(5)	₹ 67,09,209
(ii)	Total amount spent for the Financial Year	₹ 64,10,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	₹ 4,671
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9 (a) Details of Unspent CSR amount for the preceding three financial years:

Sr. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (In ₹)
				Name of the Fund	Amount (in ₹)	Date of Transfer	
1.	-	-	-	-	-	-	Nil

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): NIL

SL No.	Project ID	Name of the Project	Financial Year in which the Project was commenced	Project Duration	Total amount allocated for the Project (in ₹)	Amount spent on the Project in reporting Financial Year (in ₹)	Cumulative Amount spent at the end of reporting Financial Year (in ₹)	Status of the Project Completed/ Ongoing



10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: NIL
- (a) Date of creation or acquisition of the capital asset(s).
 - (b) Amount of CSR spent for creation or acquisition of capital asset.
 - (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
 - (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): NOT APPLICABLE

On behalf of the Board of Directors
Kopran Research Laboratories Limited

Chandra Mohan Singhi
Whole Time Director
DIN: 01793293

Sunita Banerji
Chairperson of CSR Committee
DIN: 02476075

Date: May 24, 2023
Place: Mumbai



Annexure D

(TO THE DIRECTOR'S REPORT)

Conservation of Energy & Technology absorption

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

A. CONSERVATION OF ENERGY & TECHNOLOGY ABSORPTION

1. The company has installed power factor panel 350 KVAR to maintain power factor from 0.999 to unity causing saving in billing units.
2. The company has installed new energy efficient VFD based chilling plant to reduce the specific power consumption for varying loads.
3. VFDs are installed for the various equipment like reactor, AHUs, multimill.
4. Installed Sludge dewatering system having very lower energy consumption to replace the convention filter press with air compressor.
5. The company has replaced the 40 watt florescent conventional lights by energy efficient 20 watt LED light fixtures for MPP II and sterile plant.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Earnings: ₹ 15,227.71/- Lacs (previous year ₹ 14,599.70/- Lacs)

Outgo : ₹ 11,073.10/- Lacs (previous year ₹ 11,551.66/- Lacs)

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, 2023, 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 Notes to the Standalone Financial Statements, including 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, 2023 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

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

Sr. No.	Key audit matter description	How the scope of our audit addressed the key audit matter
1	Valuation of Inventory:	
	<p>Inventory comprises of Raw Materials, Finished Goods, Stock in process and Stores and Spares. There is an inherent risk around the accuracy of the valuation of the closing stocks.</p> <p>Inventories are valued at lower of cost and net 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.</p> <p>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.</p> <p>In determining the net realizable value, the management uses data of sales of finished good available which is a management estimate.</p> <p>We have considered this as a key audit matter due to the significance in the amount of inventory and volatility in the prices of key raw material.</p>	<p>We have reviewed the stock records and held discussions with the management with regard to determination of slow moving and obsolete items and valuation of realizable values of such items. We verified arithmetical accuracy of valuation records/reports.</p> <p>For a sample of inventory items, we have verified that the First in First Out (FIFO) Method for Valuation in case of inventory is appropriate.</p> <p>We have reviewed the price movement of key raw material with respect to cost to the Company.</p> <p>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.</p>

Sr. No.	Key audit matter description	How the scope of our audit addressed the key audit matter
2	Estimated allowance of trade receivables	
	<p>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.</p> <p>Allowance for doubtful debts will be provided for the amount of trade receivables that are considered as irrecoverable.</p>	<p>Our audit procedures in relation to the estimated allowance of trade receivables included.</p> <ul style="list-style-type: none"> • Understanding how allowance for doubtful debts is estimated by the management; • Testing the subsequent settlements of trade receivables; on a sample basis, to the source documents including bank statements and bank in slips/remittance advices. • Discussing with the management and evaluating the basis of trade debtors that are overdue and without/with little settlements subsequent to the end of the reporting period identified by the management and their assessment on the recoverability of overdue trade receivables.

Information Other than the 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.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, 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, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 (l) of Rule 11(e), as provided under (A) and (B) above, contain any material misstatement.

v. The final dividend paid by the Company during the year ended 31st March, 2023 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1st April, 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

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

Ganesh Toshniwal
Partner
Membership No.046669
Place: Mumbai
Date: May 24, 2023
UDIN: 23046669BGWUYJ8248

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, 2023 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	1,241.37	Nil
Others	Nil	Nil	Nil	Nil
Balance outstanding as at balance sheet date				
Related Party	63.72	Nil	Nil	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)	1,241.37
Others (B)	Nil
Total (A+B)	1,241.37
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, 2023 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, 2023 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.
- xxi. The reporting clause 3(xxi) of the Order is not applicable to respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

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

Ganesh Toshniwal
Partner
Membership No.046669
Place: Mumbai
Date: May 24, 2023
UDIN: 23046669BGWUYJ8248

ANNEXURE “B” TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(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, 2023 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

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

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.

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.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, 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, 2023, 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 24, 2023

BALANCE SHEET AS AT MARCH 31, 2023

(₹ in Lakhs)

	Note No.	As at March 31, 2023	As at March 31, 2022
ASSETS			
1. Non-Current Assets			
Property, Plant and Equipment	4	12,364.57	11,332.38
Capital Work-in-Progress		5,565.78	2,753.95
Intangible Assets	5	63.05	49.83
Intangible Assets under Development		1,039.45	491.09
Financial Assets			
Investments	6	8.87	8.87
Security Deposits	7	115.83	90.91
Other Non Current Assets	8	1,573.51	1,030.92
Total Non-Current Assets		20,731.06	15,757.95
2. Current Assets			
Inventories	9	8,301.20	10,842.71
Financial Assets			
Trade Receivables	10	9,641.59	6,649.80
Cash and Cash Equivalents	11	612.95	518.80
Bank Balances other than the above	12	362.55	4,896.23
Loans	13	-	786.20
Other financial assets	14	9.71	59.85
Current Tax Assets	15	109.02	-
Other Current Assets	16	3,570.19	3,170.80
Total Current Assets		22,607.21	26,924.39
Total Assets		43,338.27	42,682.34
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	17	2,250.00	2,250.00
Other Equity	18	29,108.88	29,722.98
Total Equity		31,358.88	31,972.98
LIABILITIES			
1. Non-Current Liabilities			
Financial Liabilities			
Borrowings	19	1,559.01	1,669.54
Provisions	20	417.78	405.59
Deferred Tax Liabilities (Net)	21	422.96	323.89
Total Non-Current Liabilities		2,399.75	2,399.02
2. Current Liabilities			
Financial Liabilities			
Borrowings	22	3,174.34	2,874.14
Trade Payables	23		
a) Total outstanding dues of micro and small enterprises		131.48	113.12
b) Total outstanding dues of creditors other than micro and small enterprises		4,345.27	3,136.76
Other Financial Liabilities	24	1,684.10	1,707.96
Other Current Liabilities	25	195.38	138.27
Provisions	26	49.07	21.65
Current Tax Liabilities (Net)	27	-	318.44
Total Current Liabilities		9,579.64	8,310.34
Total Equity and Liabilities		43,338.27	42,682.34

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

Ganesh Toshniwal
Partner
Membership No. 046669
Mumbai
May 24, 2023

Chandra Mohan Singhi
Director
DIN : 01793293

Vandana Somani
Director
DIN: 01218254

Chandni Shah
Company Secretary



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Lakhs)

	Note No.	Year Ended March 31, 2023	Year Ended March 31, 2022
INCOME			
Revenue From Operations	28	32,444.58	27,944.25
Other Income	29	343.33	566.62
Total Income		32,787.91	28,510.87
EXPENSES			
Cost of materials consumed	30	20,874.91	17,524.45
Purchase of Stock-in-Trade		630.67	-
Changes in Inventories of Finished Goods and Work-in-Progress	31	906.62	(2,526.27)
Employee Benefits Expense	32	2,479.92	2,221.24
Finance Costs	33	345.12	342.71
Depreciation and Amortization Expense	4&5	1,101.62	949.14
Other Expenses	34	5,355.37	3,715.52
Total Expenses		31,694.23	22,226.79
Profit before tax		1,093.68	6,284.08
Tax Expense			
(1) Current Tax		218.72	1,572.68
(2) Deferred Tax		96.95	59.27
(3) Taxation adjustment of earlier years		-	-
		315.67	1,631.95
Profit for the year		778.01	4,652.13
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]		8.27	(10.48)
Income tax effect on re-measurement of defined employee benefit plans [(charge) / credit]		(2.12)	2.69
Items that will be reclassified to profit or loss			
Exchange difference in translating the financial statement of foreign operation			
		6.15	(7.79)
Other comprehensive income/(loss) for the year		6.15	(7.79)
Total comprehensive income for the year		784.16	4,644.34
Earnings per equity share of face value of ₹ 10/- each			
Basic and diluted		3.46	23.17

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

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Kopran Research Laboratories Limited

Ganesh Toshniwal
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May 24, 2023

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DIN: 01218254

Chandni Shah
Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

A) Equity share capital (refer note 17)

(₹ in Lakhs)

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount	No. of shares	Amount
Balance at the beginning of the reporting year	2,25,00,000	2,250.00	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	2,25,00,000	2,250.00

B) Other equity (refer note 18)

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, 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
Profit for the year	-	-	778.01	-	778.01
Dividend Paid	-	-	(1462.51)	-	(1462.51)
Capital Contribution from holding	-	64.25	-	-	64.25
Other comprehensive income for the year	-	-	-	6.15	6.15
As at March 31, 2023	23,220.78	405.40	5,484.01	(1.31)	29,108.88

Nature and purpose of reserves:

a) Securities premium reserve

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

b) Capital reserve

Nil

c) Retained earnings

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

See accompanying notes forming part of the financial statement

As per our report of even date attached

For **NGS & Co. LLP**
Chartered Accountants
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May 24, 2023

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DIN: 01218254

Chandni Shah
Company Secretary

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Lakhs)

	Year Ended March 31, 2023	Year Ended March 31, 2022
A. Cash flows from operating activities:		
Profit before tax	1,093.68	6,284.08
Adjustments for:		
Depreciation and amortization expense	1,101.61	949.14
Amortisation of premium on operating lease	9.86	9.86
Interest income recognised in profit or loss	(163.84)	(119.10)
Capital contribution from holding company	64.25	62.50
Finance costs recognised in profit or loss	345.12	342.71
Change in operating assets and liabilities:		
Increase / (Decrease) in trade payables	1,226.87	(1,526.36)
Increase / (Decrease) in Short-term & long-term provisions	47.89	47.20
Increase / (Decrease) in other current liabilities	57.12	68.57
Increase / (Decrease) in other financial liabilities	(23.86)	396.21
(Increase) / Decrease in trade receivables	(2991.79)	405.91
(Increase) / Decrease in inventories	2,541.51	(3,592.61)
(Increase) / Decrease in other financial assets	25.22	69.31
(Increase) / Decrease in other current and non-current assets	(951.84)	(1,612.71)
Cash generated from operations	2,381.80	1,784.71
Direct taxes paid (net of refund)	(646.20)	(1,465.46)
Net cash generated by operating activities	1,735.60	319.25
B. Cash flows from investing activities:		
Purchase of tangible assets (including capital work-in-progress & capital advance)	(4,935.15)	(3,646.15)
Purchase of intangible assets	(572.06)	(240.92)
Loans given	786.20	(786.20)
Interest received	163.84	119.10
Net cash used in investing activities	(4,557.17)	(4,554.17)
C. Cash flows from financing activities:		
Interest and financial charges paid	(345.12)	(342.71)
Dividend Paid	(1,462.50)	-
Proceeds from Issue of Share Capital	-	10,000.00
Share Issue Expenses	-	(0.51)
Proceeds / (Repayment) Non current (net)	(110.53)	(215.75)
Proceeds / (Repayment) Current borrowings (net)	300.19	(101.45)
Net cash used in financing activities	(1,617.96)	9,339.58
Net decrease in cash and cash equivalents	(4,439.53)	5,104.66
Add: Cash and cash equivalents at the beginning of the year	5,415.03	310.37
Cash and cash equivalents at the end of the year	975.50	5,415.03
Cash and cash equivalents comprise of:		
Cash on Hand	1.07	0.75
Bank Balances:		
In Current Accounts	611.88	518.05
In Fixed Deposits with original maturity less than 3 months	362.55	396.23
Earmarked Bank Balances:		
Fixed Deposits (Maturity of more than 3 months and less than 12 months)	-	4,500.00
Cash and cash equivalents at the end of the year	975.50	5,415.03

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

Ganesh Toshniwal
Partner
Membership No. 046669
Mumbai
May 24, 2023

Chandra Mohan Singhi
Director
DIN : 01793293

Vandana Somani
Director
DIN: 01218254

Chandni Shah
Company Secretary

Notes forming part of the standalone Financial Statements

1) CORPORATE INFORMATION

Kopran Research Laboratories Limited (KRL) ("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 24, 2023.

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, 2015 as amended from time to time together with the comparative period data as at and for the year ended March 31, 2022.

These financial statements have been prepared by the Company on a going concern basis.

Historical Cost Convention

These Financial Statements have been prepared on the historical cost convention and on an accrual basis, except for the following material items in the balance sheet:

- 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 includes professional fees and borrowing costs for qualifying assets.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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' net of accumulated impairment loss, if any.

Software for internal use, which is primarily acquired from third-party vendors and which is an integral part of a tangible asset, including consultancy charges for implementing the software, is capitalised as part of the related tangible asset. Subsequent costs associated with maintaining such software are recognised as expense as incurred. The capitalised costs are amortised over the estimated useful life of the software or the remaining useful life of the tangible fixed asset, whichever is lower.

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) Other 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.

Other intangible assets that are acquired by the Company and that have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition.

Computer software

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

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

Research and development

Expenditures on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding are recognised in the statement of profit and loss when incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes.

Development expenditures are capitalised only if

- development costs can be measured reliably;
- the product or process is technically and commercially feasible;
- future economic benefits are probable and
- the Company intends to, and has sufficient resources to complete development and to use or sell the asset.

The expenditures to be capitalised include the cost of materials and other costs directly attributable to preparing the asset for its intended use. Other development expenditures are recognised in the statement of profit and loss as incurred.

In-Process Research and Development assets ("IPR&D") or Intangible assets under development

Acquired research and development intangible assets that are under development are recognised as In-Process Research and Development assets ("IPR&D") or Intangible assets under development. IPR&D assets are not amortised, but evaluated for potential impairment on an annual basis or when there are indications that the carrying value may not be recoverable. Any impairment charge on such IPR&D assets is recorded in the statement of profit and loss under "Impairment of non-current assets".

Subsequent expenditures are capitalised only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures, including expenditures on internally generated goodwill and brands, is recognised in the statement of profit and loss as incurred.

Subsequent expenditure on an IPR&D asset acquired separately or in a business combination and recognised as an intangible asset is:

- a) recognised as an expense when incurred, if it is a research expenditure;
- b) recognised as an expense when incurred, if it is a development expenditure that does not satisfy the criteria for recognition as an intangible asset in paragraph 57 of Ind AS 38; and
- c) added to the carrying amount of the acquired IPR&D asset, if it is a development expenditure that satisfies the recognition criteria in paragraph 57 of Ind AS 38

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

Amortisation is recognised in the statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets. The amortisation expense is recognised in the statement of profit and loss account in the expense category that is consistent with the function of the intangible asset. Intangible assets that are not available for use are amortised from the date they are available for use.

The amortisation period and the amortisation method for intangible assets with a finite useful life are reviewed at each reporting date. Changes in the expected useful lives or expected pattern of consumption of future economic benefits embodied in the assets are considered to modify the amortisation period or method, as appropriate and are treated as change in accounting estimate.

Goodwill, intangible assets relating to products in development, other intangible assets not available for use and intangible assets having indefinite useful life are subject to impairment testing at each reporting date. All other intangible assets are tested for impairment when there are indications that the carrying value may not be recoverable. All impairment losses are recognised immediately in the statement of profit and loss under "Impairment of non current assets"

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

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

The Company has only short term leases or low value leases. The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in the statement of profit and loss.

(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

Inventories consist of Raw Materials, Stores and Spares, Packing Materials, Work-in Progress, Goods in Transit and Finished Goods and are measured at the lower of cost and net realisable value.

Cost includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

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.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

i) Revenue recognition

(i) Revenue is recognized upon transfer of control of promised goods or services to Customers (i.e. when performance obligation is satisfied) for an amount that reflects the consideration which the Company expects to receive in exchange for those products or services. The point at which control passes is determined based on terms of agreement with the customer or as per general industry / market practice.

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

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

(iii) Interest income

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

(iv) Dividend income

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

j) Income Taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

(i) Current income tax

Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted on the reporting date. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(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.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognised at fair value. The Company's trade receivables do not contain any significant financing component and hence are measured at the transaction price measured under Ind AS 115 "Revenue from Contracts with Customers".

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.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in Other Income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

(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.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the OCI. However, the Company recognises interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to the statement of profit and loss. Interest earned while holding a FVTOCI debt instrument is reported as interest income using the effective interest rate method

(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.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as an "accounting mismatch").

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

(iv) Equity instruments measured at FVTOCI

All equity instruments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, including foreign exchange gain or loss and excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit or loss.

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 (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- The contractual rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive contractual cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement, and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Impairment of trade receivables and other 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 115.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or any contractual right to receive cash or another financial asset.

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

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

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

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

Initial recognition and measurement

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

Subsequent measurement

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

(i) Trade and other payables

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

(ii) Loans and borrowings

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

(iii) Financial guarantee contracts

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

De-recognition

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

Embedded derivatives

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

Reclassification of financial assets

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

Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

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

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

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

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

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

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.

(a) 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.

(b) 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.

(iv) Termination benefits

Termination benefits are recognised as an expense in the statement of profit and loss when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense in the statement of profit and loss if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

(v) Compensated Absences

Compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as undiscounted liability at the balance sheet date. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as an actuarially determined liability at the present value of the defined benefit obligation at the balance sheet date using the Projected Unit Credit Method.

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 the financial statements. A contingent asset is disclosed where an inflow of economic benefits is probable. Contingent assets are assessed continually and, if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

o) Borrowing costs

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

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

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

p) Segment Reporting - Identification of Segments

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

q) Earnings per share

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

r) Cash and cash equivalents

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

s) Cash Flow Statement

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

t) Dividends

The Company recognises a liability to make dividend distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate 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 judgement, 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. Actual results may differ from these estimates.

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.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- (i) Impairment of non - financial assets - Note 2.3(f)
- (ii) Useful lives of property, plant and equipment and intangible assets - Note 2.3(d) and (e)
- (iii) Valuation of deferred tax assets - Note 2.3(j)(ii)
- (iv) Defined benefit plans - Note 2.3(m)(iii)(a)
- (v) Provisions and contingent liabilities - 2.3(n)
- (vi) Fair value measurement - 2.3(b)

3) RECENT 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 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 01, 2023, as below:

IND AS 1 – PRESENTATION OF FINANCIAL STATEMENTS

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its standalone financial statements.

IND AS 12 – INCOME TAXES

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact in its standalone financial statements.

IND AS 8 – ACCOUNTING POLICIES, CHANGES IN ACCOUNTING ESTIMATES AND ERRORS

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its standalone financial statements.

Notes forming part of the Standalone Financial Statements

(₹ in Lakhs)

4) PROPERTY, PLANT AND EQUIPMENT

Particulars	Office equipment	Office Building	Computer	Plant and Equipment	R & D Equipment	Furniture and Fixtures	Vehicle	Total
Cost								
As at April 01, 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
Additions	4.70	381.80	25.16	1,590.32	-	82.95	38.39	2,123.32
Disposals/Transfer	-	-	-	-	-	-	-	-
As at March 31, 2023	11.89	3,081.91	99.83	15,107.27	4.09	132.58	92.68	18,530.25
Accumulated Depreciation								
As at April 01, 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
Depreciation	1.22	55.05	11.10	1,007.87	0.16	8.12	7.61	1,091.13
Adjusted during the year	-	-	-	-	-	-	-	-
As at March 31, 2023	5.35	358.99	56.66	5,676.16	2.18	36.27	30.07	6,165.68
Net Book Value								
As at March 31, 2023	1.84	2,341.12	18.01	7,840.79	1.91	13.36	24.22	12,364.57
As at March 31, 2022	3.06	2,396.17	29.11	8,848.66	2.07	21.48	31.83	11,332.38

CWIP Ageing Schedule As At March 31, 2023

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	2,811.83	388.44	272.52	2,092.99	5,565.78
Projects temporarily suspended	-	-	-	-	-

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	-	-	-	-	-

Notes forming part of the Standalone Financial Statements

(₹ in Lakhs)

5) INTANGIBLE ASSETS

Particulars	Product Development Cost	Goodwill	Total
Cost			
As at April 01, 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
Additions/Transfer	23.70	-	23.70
Disposals/Transfer	-	-	-
As at March 31, 2023	87.25	92.36	179.61
Amortisation			
As at April 01, 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
Amortisation	10.48	-	10.48
Disposals/Transfer	-	-	-
As at March 31, 2023	24.20	92.36	116.56
Net Book Value			
As at March 31, 2023	63.05	-	63.05
As at March 31, 2022	49.83	-	49.83

Intangible Assets under Development Ageing Schedule As At March 31, 2023

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	572.06	181.85	83.81	201.73	1,039.45
Projects temporarily suspended	-	-	-	-	-

Intangible Assets under Development 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	217.66	60.97	88.58	123.88	491.09
Projects temporarily suspended	-	-	-	-	-

Notes forming part of the Standalone Financial Statements

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
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	115.83	90.91
Total	115.83	90.91
8) OTHER NON CURRENT ASSETS		
Capital advances	801.65	275.34
Deduction of income tax	105.90	60.65
Premium on land under operating lease	659.71	669.56
Prepaid expenses	6.25	25.37
Total	1,573.51	1,030.92
9) INVENTORIES		
(Valued at lower of cost or net realisable value)		
Raw materials {Includes stocks in transit ₹ 224.08 lakhs (March 31, 2022: ₹ 34.24 lakhs)}	3,263.25	4,914.14
Work-in-Process	3,922.75	4,829.25
Finished Goods	808.31	808.43
Stores & Spares	230.75	191.70
Packing Materials	76.14	99.19
Total	8,301.20	10,842.71
10) TRADE RECEIVABLES		
Unsecured, considered good		
Receivable from other parties	7,872.53	6,649.80
Receivable from related party	1,769.06	-
Unsecured, considered doubtful	23.26	29.29
Less: Expected credit loss allowance	(23.26)	(29.29)
Total	9,641.59	6,649.80
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	9,575.60	6,582.23
6 months -1 year	28.46	17.02
1-2 years	16.11	30.97
2-3 years	-	19.58
More than 3 years	-	-
Total	9,620.17	6,649.80



Notes forming part of the Standalone Financial Statements

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
	(i) Undisputed Trade Receivables - Considered doubtful	(i) Undisputed Trade Receivables - Considered doubtful
Outstanding for following periods from due date of payment		
Less than 6 months	-	-
6 months -1 year	1.50	0.85
1-2 years	4.03	8.85
2-3 years	1.93	19.58
More than 3 years	15.80	-
Total	<u>23.26</u>	<u>29.29</u>
11) CASH AND CASH EQUIVALENTS		
Cash on Hand	1.07	0.75
Balances with Banks		
On Current Accounts	611.88	518.05
Total	<u>612.95</u>	<u>518.80</u>
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)	362.55	396.23
Fixed deposits (Maturity of more than 3 months & less than 12 months)	-	4,500.00
Total	<u>362.55</u>	<u>4,896.23</u>
13) CURRENT FINANCIAL ASSETS-LOANS		
Loan to Related Party	-	786.20
Total	<u>-</u>	<u>786.20</u>
14) CURRENT FINANCIAL ASSETS-OTHERS		
Advance to employees	9.71	10.83
Foreign currency forward contracts	-	49.02
Total	<u>9.71</u>	<u>59.85</u>
15) CURRENT TAX ASSETS (NET)		
Advance Income-Tax (Net of provision of taxation)	109.02	-
Total	<u>109.02</u>	<u>-</u>
16) OTHER CURRENT ASSETS		
Balance with statutory/ government authorities	3,193.04	2,937.40
Prepaid expenses	183.91	102.31
Others	193.24	131.09
Total	<u>3,570.19</u>	<u>3,170.80</u>

Notes forming part of the Standalone Financial Statements

(₹ in Lakhs)

17) EQUITY SHARE CAPITAL

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	Amount	Number	Amount
Authorised				
Equity Shares of ₹10 each	2,50,00,000	2,500.00	2,50,00,000	2,500.00
	2,50,00,000	2,500.00	2,50,00,000	2,500.00
Issued, Subscribed and Paid up				
Equity Shares of ₹10 each fully paid-up	2,25,00,000	2,250.00	2,25,00,000	2,250.00
	2,25,00,000	2,250.00	2,25,00,000	2,250.00

(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, 2023	Number	As at March 31, 2022
Equity shares outstanding the beginning of the year	2,25,00,000	2,250.00	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	2,25,00,000	2,250.00

(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 proportion to the amount of paid up equity shares held by them. The Company has not declared any dividend during the year.
As to repayment of capital In the event of liquidation of the Company, the holders of equity shares are entitled to receive the remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion of the number of shares held by the shareholders.

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

Name of Shareholder	As at March 31, 2023		As at March 31, 2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares				
Kopran Limited	2,24,00,000	99.56	2,24,00,000	99.56
Kopran Lifescience Limited	1,00,000	0.44	1,00,000	0.44

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, 2023		As at March 31, 2022	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Equity Shares				
Kopran Limited	2,24,00,000	99.56	2,24,00,000	99.56

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

Promoter Name	As at March 31, 2023			As at March 31, 2022		
	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%	0.00%	2,24,00,000	99.56%	12.56%
Kopran Lifescience Limited	1,00,000	0.44%	0.00%	1,00,000	0.44%	0.00%

Notes forming part of the Standalone Financial Statements

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
18) OTHER EQUITY		
Retained Earnings		
Capital Contribution from holding	405.40	341.15
Securities premium reserve	23,220.78	23,220.78
Retained earnings	5,484.01	6,168.51
Sub - Total - A	29,110.19	29,730.44
Other Comprehensive Income (OCI)		
Remeasurements of net defined benefit plans	(1.31)	(7.46)
Sub - Total - B	(1.31)	(7.46)
Total - A + B	29,108.88	29,722.98
Note:		
Refer statement of changes in equity for details of movements in the balances of each items of Reserves and Surplus and OCI under the head "Other Equity" and the nature and purpose of each reserve.		
19) LONG TERM BORROWINGS		
Term Loans		
Unsecured		
From others	1,524.13	1,661.88
Secured		
Vehicle Loans	34.88	7.66
Total	1,559.01	1,669.54
* 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.		
20) NON - CURRENT PROVISIONS		
Provision for employee benefits		
Gratuity	331.67	327.17
Leave encashment	86.11	78.42
Total	417.78	405.59
21) DEFERRED TAX LIABILITIES		
Deferred Tax Liability		
Relating to depreciation on fixed assets (a)	553.59	445.70
Deferred Tax Assets		
Provision for gratuity	92.58	86.25
Provision for leave encashment	27.06	23.23
Provision for bonus	5.03	4.83
Provision for expected credit loss	5.96	7.50
(b)	130.63	121.81
Total	422.96	323.89

Notes forming part of the Standalone Financial Statements

(₹ in Lakhs)

22) CURRENT FINANCIAL LIABILITIES - BORROWINGS

Secured, Repayable on demand

From banks

	As at March 31, 2023	As at March 31, 2022
Cash credit / packing credit	1,502.24	1,083.53
Buyers credit	1,495.68	1,592.72
Current maturities of long term borrowing	176.42	197.89
Total	3,174.34	2,874.14

(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.

23) TRADE PAYABLES

Due to micro and small enterprises (refer note no. 44)	131.48	113.12
Due to Kopran Limited	207.04	-
Due to Others	4138.23	3,136.76
Total	4,476.75	3,249.88

Ageing of Trade Payables

Outstanding for following periods from due date of invoice

Due to Others

Less than 1 year	4,318.31	3,069.96
Less than 1 year - Unbilled	15.05	14.74
1-2 years	11.91	28.76
2-3 years	-	21.18
More than 3 years	-	2.12
Total	4,345.27	3,136.76

Due to Micro and Small Enterprises

Less than 1 year	131.48	113.12
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
Total	131.48	113.12

24) CURRENT FINANCIAL LIABILITIES - OTHER

Interest accrued but not due	11.70	1.65
Security deposits	5.00	17.50
Creditors for capital supplies/services	1,125.75	766.92
Employees benefits payables	219.67	211.03
Other payables	321.98	710.86
Total	1,684.10	1,707.96

25) OTHER CURRENT LIABILITIES

Advance received from customers	36.27	38.72
Statutory Dues (including provident fund and tax deducted at source)	53.27	71.34
Others	105.54	28.21
Total	195.38	138.27



Notes forming part of the Standalone Financial Statements

(₹ in Lakhs)

	As at March 31, 2023	As at March 31, 2022
26) PROVISIONS		
Provision for employee benefits		
Gratuity	29.59	9.39
Leave encashment	19.48	12.26
Total	49.07	21.65
27) OTHER CURRENT LIABILITIES		
Provision for tax (Net of advance tax)	-	318.44
Total	-	318.44
28) REVENUE FROM OPERATIONS		
Sale of Products	32,253.25	27,735.68
Other operating revenues		
Scrap sales	69.85	139.17
Export Incentive	64.73	63.40
Service Income	53.00	-
Visual & Concepts	3.75	6.00
Total	32,444.58	27,944.25
29) OTHER INCOME		
Interest Income		
On fixed deposit	159.43	65.55
Others	4.41	53.55
Recovery of bad debts earlier written off	-	62.37
Rental Income	75.00	-
Sundry balances written back	57.43	4.94
Reversal of expected credit loss	6.03	0.03
Profit on Sale of License	39.91	-
Net gain on foreign currency transaction and translation	-	337.12
Miscellaneous income	1.12	43.06
Total	343.33	566.62
30) COST OF MATERIAL CONSUMED		
Raw material consumption		
Opening stock	4,914.14	3,926.45
Add: Purchases	18,939.40	18,316.38
	23,853.54	22,242.83
Less : Closing stock	3,263.25	4,914.14
Sub - Total	20,590.29	17,328.69
Packing materials consumption		
Opening stock	99.19	51.04
Add: Purchases	261.57	243.91
	360.76	294.95
Less : Closing stock	76.14	99.19
Sub - Total	284.62	195.76
Total	20,874.91	17,524.45



Notes forming part of the Standalone Financial Statements

(₹ in Lakhs)

	Year Ended March 31, 2023	Year Ended March 31, 2022
31) CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS		
Opening Inventories		
Finished goods	808.43	145.79
Work-in-progress	4,829.25	2,965.62
	<u>5,637.68</u>	<u>3,111.41</u>
Closing Inventories		
Finished goods	808.31	808.43
Work-in-progress	3,922.75	4,829.25
	<u>4,731.06</u>	<u>5,637.68</u>
Total	<u><u>906.62</u></u>	<u><u>(2,526.27)</u></u>
32) EMPLOYEE BENEFITS EXPENSE		
Salaries and Wages	2,170.47	1,952.09
Contribution to Provident and Other Funds	131.49	112.80
Staff welfare expenses	177.96	156.35
Total	<u><u>2,479.92</u></u>	<u><u>2,221.24</u></u>
33) FINANCE COSTS		
Interest expense	293.20	315.45
Other borrowing cost	51.92	27.26
Total	<u><u>345.12</u></u>	<u><u>342.71</u></u>
34) OTHER EXPENSES		
Stores and spares consumed	430.02	324.93
Power and fuel	1,557.16	1,276.03
Rent	192.39	158.19
Repairs and Maintenance:		
Building	58.85	42.96
Machinery	77.63	94.50
Others	55.82	61.41
Insurance	85.41	66.91
Packing, freight and forwarding	367.76	434.59
Commission on sales	210.33	185.04
Job work charges	562.93	159.01
Payment to auditors (Refer Note No. 45)	5.00	5.00
Net loss on foreign currency transaction and translation	619.94	-
Corporate Social Responsibility Expenses (Refer Note No. 49)	64.10	17.50
Legal and professional fees	250.96	215.55
Rates and taxes	37.36	29.12
Security and labour charges	185.97	186.78
Directors' sitting fees	0.79	0.99
Miscellaneous Expenses	592.95	457.01
Total	<u><u>5,355.37</u></u>	<u><u>3,715.52</u></u>

Notes forming part of the Standalone Financial Statements

(₹ in Lakhs)

35) CAPITAL COMMITMENTS & CONTINGENT LIABILITIES NOT PROVIDED FOR

Particulars	As at March 31, 2023	As at March 31, 2022
(a) Capital Commitments:		
Estimated amounts of contracts remaining to be executed on capital account (net of advances) and not provided for	24.05	708.71
(b) Contingent liabilities not provided for :		
i Corporate guarantee given for loan taken by Holding Company (to the extent amount utilised)	63.72	2,068.18
ii Disputed tax Matters :		
Excise duty demand disputed in appeal	5.00	5.00
Sales tax demand disputed in appeal	407.05	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.

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

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Net profit as per the statement of profit and loss available for Equity Shareholders (in ₹)	778.01	4,652.12
Number of Equity Shares outstanding	2,25,00,000	2,25,00,000
Weighted average number of Equity Shares for Earnings Per Share computation:	2,25,00,000	2,00,82,192
Nominal value of equity shares (in ₹)	10.00	10.00
Earnings Per Share:		
Basic (in ₹)	3.46	23.17
Diluted (in ₹)	3.46	23.17

37) CIF VALUE OF IMPORTS

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Raw Materials / Packing Material	10,192.77	11,303.85
Traded Goods	601.37	-
Capital Goods	80.23	25.29
Total	10,874.38	11,329.14

Notes forming part of the Standalone Financial Statements

(₹ in Lakhs)

38) EXPENDITURE IN FOREIGN CURRENCY

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Commission	161.48	140.29
Bank Interest on Buyers Credit	66.77	14.76
Traveling Expenses	15.44	5.80
Plant Inspection Charges	33.12	21.63
Product Registration Charges	1.65	17.32
Professional Charges	0.74	3.27
Others	20.35	19.44
Total	299.56	222.52

39) EARNINGS IN FOREIGN CURRENCY

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
FOB Value of Exports	14,986.95	14,599.70
Total	14,986.95	14,599.70

40) 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, 2023	Year Ended March 31, 2022
Employer's contribution to provident fund	122.42	105.57
Employer's contribution to Labour welfare fund	0.32	0.26
Employer's contribution to ESIC	8.75	6.98
Total	131.49	112.80

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, 2023	As at March 31, 2022
Present value of the projected benefit obligation		
Present value of benefit obligation at the beginning of the year	336.57	291.21
Interest cost	24.33	20.27
Current service cost	23.47	25.95
Benefit paid directly by the employer	(14.84)	(11.35)
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	-	(5.05)
Actuarial (gains)/losses on obligations - due to change in financial assumptions	(8.54)	(30.53)
Actuarial (gains)/losses on obligations - due to experience	0.27	46.06
Present value of benefit obligation at the end of the year	361.26	336.57
Change in the fair value of plan assets		
Fair value of plan assets at the beginning of the year	-	-
Interest income	-	-
Contributions by the employer	-	-
Expected contributions by the employees	-	-
Return on plan assets, excluding interest income	-	-
Fair value of plan assets at the end of the year	-	-
Amount recognised in the Balance Sheet		
Present value obligations at the end of the year	(361.26)	(336.57)
Fair value of plan assets at the end of the year	-	-
Funded status surplus / (deficit)	(361.26)	(336.57)
Liability/(Asset) recognised in the Balance Sheet	(361.26)	(336.57)
Net interest cost for the current year		
Present value benefit obligation at the beginning of the year	336.57	291.21
Fair value of plan assets at the beginning of the year	-	-
Net liability / (asset) at the beginning	336.57	291.21
Interest cost	24.33	20.27
Interest income	-	-
Interest cost for the current year	24.33	20.27
Expenses recognised in the statement of profit or loss for the current year		
Current service cost	23.47	25.95
Net interest cost	24.33	20.27
Past service cost	-	-
Expenses recognised	47.81	46.22
Expenses recognized in the other comprehensive income (OCI) for the current year		
Actuarial (gains)/losses on obligation for the period	(8.27)	10.48
Return on plan assets, excluding interest income	-	-
Change in asset ceiling	-	-
Net (income)/expense for the period recognized in OCI	(8.27)	10.48

Notes forming part of the Standalone Financial Statements

(₹ in Lakhs)

Particular	As at March 31, 2023	As at March 31, 2022
Balance sheet reconciliation		
Opening net liability	336.57	291.21
Expenses recognized in statement of profit or loss	47.81	46.22
Expenses recognized in OCI	(8.27)	10.48
Benefits paid directly by Employer	(14.84)	(11.35)
Net liability / (asset) recognised in the balance sheet	361.26	336.57
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	29.59	9.39
2nd following year	10.22	28.68
3rd following year	15.65	20.84
4th following year	26.47	18.09
5th following year	34.06	24.24
Sum of years of 6 to 10	203.80	177.78
Sum of years of 11 and above	442.34	415.66
Sensitivity Analysis		
<p>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.</p> <p>The sensitivity analysis presented below 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.</p> <p>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.</p> <p>There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.</p>		
Projected benefit obligation on current assumptions	361.26	336.57
Delta effect of + 1% change in rate of discounting	(27.12)	(26.15)
Delta effect of - 1% change in rate of discounting	30.91	29.80
Delta effect of + 1% change in rate of salary increase	31.31	29.92
Delta effect of - 1% change in rate of salary increase	(27.92)	(26.68)
Delta effect of + 1% change in rate of employee turnover	4.52	3.78
Delta effect of - 1% change in rate of employee turnover	4.52	(4.23)
Assumptions used to determine the benefit obligations:		
Discount rate	7.52%	7.23%
Rate of increase in compensation levels	5.25%	5.25%
Rate of employee turnover	For Service 4 years and Below 16.50% p.a For Service 5 years and above 2.00 % p.a	For Service 4 years and Below 16.50% p.a For Service 5 years and above 2.00 % p.a
Mortality rate during employment	Indian Assured Lives Mortality (2012-14)Urban	Indian Assured Lives Mortality (2012-14)Urban

Notes forming part of the Standalone Financial Statements

(₹ in Lakhs)

Part B : Leave Encashment (Unfunded)

Particular	As at March 31, 2023	As at March 31, 2022
Present value of projected benefit obligation		
Present value of projected benefit obligation at the beginning of the year	90.67	78.36
Interest cost	6.56	5.45
Service cost	11.24	10.10
Actuarial (gain)/ losses on obligations - due to change in demographic assumptions	-	3.06
Actuarial (gain)/ losses on obligations - due to change in financials assumptions	(2.69)	(8.93)
Actuarial (gain)/ losses on obligations - due to experience	10.73	13.97
Benefits paid	(10.91)	(11.33)
Obligation at the year end	105.59	90.67
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	8.03	8.09
Return on plan assets, excluding interest income	-	-
Sub- Total	8.03	8.09
Actuarial loss recognised	8.03	8.09
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	(105.59)	(90.67)
Fair value of plan assets at the end of the year	-	-
Funded status (surplus/(dedicit))	(105.59)	(90.67)
Unrecognised past service cost at the end of the year	-	-
Net (Liability)/Asset recognised in the balance sheet	(105.59)	(90.67)
Interest cost for the current year		
Present value of the defined benefit obligations at the beginning of the year	90.67	78.36
Fair value of plan assets at the beginning of the year	-	-
Net (Liability)/asset at the beginning	90.67	78.36
Interest cost	6.56	5.45
Interest income	-	-
Net interest cost for current year	6.56	5.45

Notes forming part of the Standalone Financial Statements

(₹ in Lakhs)

Particular	As at March 31, 2023	As at March 31, 2022
Expenses recognised in the statement of profit or loss for the current year		
Current service cost	11.24	10.10
Net interest cost	6.56	5.45
Actuarial (gains) / losses	8.03	8.09
Expenses recognised in the statement of profit or loss	25.83	23.64
Balance sheet reconciliation		
Opening net liability	90.67	78.36
Expenses recognised in the statement of profit or loss	25.83	23.64
Employers contribution	-	-
Benefits paid directly by employer	(10.91)	(11.33)
Net liability / (assets) recognised in the balance sheet	105.59	90.67
Category of assets		
NIL, as funding status in unfunded	-	-
Assumptions used to determine the benefit obligations:		
Discount rate	7.52%	7.23%
Rate of increase in compensation levels	5.25%	5.25%
Rate of employee turnover	For Service 4 years and Below 16.50% p.a For Service 5 years and above 2.00 % p.a	For Service 4 years and Below 16.50% p.a For Service 5 years and above 2.00 % p.a
Mortality rate during employment	Indian Assured Lives Mortality (2012-14)Urban	Indian Assured Lives Mortality (2012-14)Urban

41) RELATED PARTY DISCLOSURES

Names of related parties where control exists:	
Holding Company	Kopran Limited
Fellow Subsidiary	Kopran Lifescience 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 Bhuchhada (CFO)
Enterprises significantly influenced by KMP or their relative (With whom there are transaction)	Oricon Enterprises Limited Meenual Metallizing Pvt. Ltd. United Shippers Limited Shri S. K. Somani Memorial Charitable Trust

(₹ in Lakhs)

Notes forming part of the Standalone Financial Statements

Nature of Transaction	Holding Company		Fellow Subsidiary		Key Management Personnel		Enterprises significantly influenced by KMP or their relative		Total	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Loan Taken										
Kopran Limited	3,161.02	15,537.65	-	-	-	-	-	-	3,161.02	15,537.65
United Shippers Limited	-	-	-	-	-	-	2,500.00	2,500.00	-	2,500.00
Total	3,161.02	15,537.65	-	-	-	-	2,500.00	2,500.00	3,161.02	18,037.65
Repayment of Loan Taken										
Kopran Limited	3,161.02	15,537.65	-	-	-	-	-	-	3,161.02	15,537.65
United Shippers Limited	-	-	-	-	-	-	2,500.00	2,500.00	-	2,500.00
Total	3,161.02	15,537.65	-	-	-	-	2,500.00	2,500.00	3,161.02	18,037.65
Loan Given										
Kopran Limited	1,241.37	3,388.93	-	-	-	-	-	-	1,241.37	3,388.93
Oricon Enterprises Limited	-	-	-	-	-	-	6,025.25	6,025.25	-	6,025.25
Total	1,241.37	3,388.93	-	-	-	-	6,025.25	6,025.25	1,241.37	9,414.18
Repayment of Loan Given										
Kopran Limited	2,027.57	2,602.73	-	-	-	-	-	-	2,027.57	2,602.73
Oricon Enterprises Limited	-	-	-	-	-	-	6,025.25	6,025.73	-	6,025.73
Total	2,027.57	2,602.73	-	-	-	-	6,025.25	6,025.25	2,027.57	8,627.98
Equity Shares Issued										
Kopran Limited	-	10,000.00	-	-	-	-	-	-	-	10,000.00
Total	-	10,000.00	-	-	-	-	-	-	-	10,000.00
Sales										
Kopran Limited	2,749.68	545.99	-	-	-	-	-	-	2,749.68	545.99
Total	2,749.68	545.99	-	-	-	-	-	-	2,749.68	545.99
Purchases										
Kopran Limited	1576.52	98.19	-	-	-	-	-	-	1,576.52	98.19
Oricon Enterprises Limited	-	-	-	-	-	-	373.50	373.50	-	373.50
Total	1576.52	98.19	-	-	-	-	373.50	373.50	1,576.52	471.69
Interest Expense										
Kopran Limited	-	126.56	-	-	-	-	-	-	-	126.56
United Shippers Limited	-	-	-	-	-	-	28.84	28.84	-	28.84
Total	-	126.56	-	-	-	-	28.84	28.84	-	155.40
Interest Income										
Kopran Limited	4.23	-	-	-	-	-	-	-	4.23	-
Kopran Limited Rent	75.00	-	-	-	-	-	-	-	75.00	-
Kopran Limited Job Work Charges Received	53.00	-	-	-	-	-	-	-	53.00	-

(₹ in Lakhs)

Notes forming part of the Standalone Financial Statements

Nature of Transaction	Holding Company		Fellow Subsidiary		Key Management Personnel		Enterprises significantly influenced by KMP or their relative		Total	
	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
Loss on sales of FMS/FPS KL	39.91	-	-	-	-	-	-	-	39.91	-
Sale of Licence against MEIS KL	266.09	-	-	-	-	-	-	-	266.09	-
Oricon Enterprises Limited	-	-	-	-	-	-	-	52.45	-	52.45
Total	438.24	-	-	-	-	-	-	52.45	438.24	52.45
Expenses										
Kopran Limited - Rent	-	120.00	-	-	-	-	-	-	-	120.00
Meenual Metallizing Pvt. Ltd. Rent	-	-	-	-	-	-	150.00	-	150.00	-
Kopran Limited-Corporate Guarantee Expenses	64.25	62.50	-	-	-	-	-	-	64.25	62.50
Kopran Limited Job Work Charges Paid	277.78	-	-	-	-	-	-	-	277.78	-
Kopran Lifescience - Dividend Paid	-	-	6.50	-	-	-	-	-	6.50	-
Kopran Limited - Dividend Paid	1,456.00	-	-	-	-	-	-	-	1,456.00	-
Shri S. K. Somani Charitable Trust-CSR Expense	-	-	-	-	-	-	-	12.50	-	12.50
Total	1,798.02	182.50	6.50	-	110.12	-	150.00	12.50	1,954.52	195.00
Remuneration										
Chandra Mohan Singhi	-	-	-	-	50.61	40.96	-	-	50.61	40.96
Rakesh Doshi	-	-	-	-	48.00	53.76	-	-	48.00	53.76
Lekha Bhuchhada	-	-	-	-	5.79	5.49	-	-	5.79	5.49
Chandni Shah	-	-	-	-	5.72	4.47	-	-	5.72	4.47
Ahren A Rodrigues	-	-	-	-	-	0.41	-	-	-	0.41
Total	-	-	-	-	110.12	105.09	-	-	110.12	105.09
Director Sitting Fees										
Vandana Somani	-	-	-	-	0.16	0.22	-	-	0.16	0.22
Rakesh Doshi	-	-	-	-	0.16	0.20	-	-	0.16	0.20
Sunita Banerji	-	-	-	-	0.26	0.29	-	-	0.26	0.29
Mamta Biyani	-	-	-	-	0.20	0.29	-	-	0.20	0.29
Total	-	-	-	-	0.79	0.99	-	-	0.79	0.99
Balance Receivable as at March 31										
Kopran Limited Loan	-	786.20	-	-	-	-	-	-	-	786.20
Kopran Limited Trade Payable	207.04	-	-	-	-	-	-	-	207.04	-
Kopran Limited Trade Receivable	1,769.06	-	-	-	-	-	-	-	1,769.06	-
Total	1,976.10	786.20	-	-	-	-	-	-	1,976.10	786.20

Notes forming part of the Standalone Financial Statements

(₹ in Lakhs)

42) DISCLOSURE OF DERIVATIVES

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

Purpose		As at March 31, 2023	As at March 31, 2022
Forward exchange contracts (for export debtors)	USD	104.63	148.35
Forward contract value	₹	8,648.97	11,490.68

(b) The foreign currency outstanding balances that have not been hedged by any derivative instrument or otherwise as at March 31, 2023 are as follows:

Particulars	Foreign Currency Denomination	As at March 31, 2023		As at March 31, 2022	
		Foreign Currency Amount	Amount	Foreign Currency Amount	Amount
Payables	USD	17.59	1,445.52	23.42	1,774.99
	EURO	-	-	-	-

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

43) 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.

44) 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.

45) AUDITORS REMUNERATION

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Statutory audit fees	3.50	3.50
Tax audit Fees	1.50	1.50
Total	5.00	5.00

46) CURRENT TAX AND DEFERRED TAX

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

Particulars	Year Ended March 31, 2023	Year Ended March 31, 2022
Current Tax		
Current income tax charge	218.72	1,572.68
Total	218.72	1,572.68
Deferred Tax		
In respect of current year	96.95	59.27
Total	96.95	59.27
Total tax expense recognised in statement of profit and loss	315.67	1,631.95

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, 2023	Year Ended March 31, 2022
Net profit as per statement of profit and loss account (before tax)	1,093.68	6,284.08
Corporate tax rate as per Income Tax Act, 1961	25.63%	25.63%
Tax on accounting profit	280.26	1,610.33
Tax difference on account of:		
Expenses not allowable under the Income Tax Act, 1961	333.98	285.14
Timing differences - Deferred tax assets	96.95	59.27
Expenses allowable under the Income tax Act, 1961	(395.52)	(322.80)
Income tax expense recognised in profit and loss	315.67	1,631.95

c) Movement of deferred tax

Deferred tax assets / (liabilities) in relation to the year ended March 31, 2023

Particulars	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
Relating to depreciation on fixed assets	(445.70)	(107.88)	-	(553.58)
Provision for gratuity	86.25	8.43	(2.12)	92.58
Provision for leave encashment	23.23	3.83	-	27.06
Provision for expected credit loss	7.50	(1.54)	-	5.96
Provision for bonus	4.83	0.20	-	5.03
Net deferred tax assets	(323.88)	(96.96)	(2.12)	(422.95)

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)

Notes forming part of the Standalone Financial Statements

(₹ in Lakhs)

47) FAIR VALUE MEASUREMENTS

i. Financial Instruments by Category

Particulars	Carrying Amount		Fair Value	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
FINANCIAL ASSETS				
Level 3				
Amortised cost				
Non-current financial assets - investments	8.87	8.87	8.87	8.87
Non-current financial assets - other	115.83	90.91	115.83	90.91
Current financial assets - trade receivables	9,641.59	6,649.80	9,641.59	6,649.80
Current financial assets - cash and Cash equivalents	612.95	518.80	612.95	518.80
Current financial assets - bank balances other than cash and cash equivalents	362.55	4,896.23	362.55	4,896.23
Current financial assets - loans	-	786.20	-	786.20
Current financial assets - other	9.71	59.85	9.71	59.85
Total	10,751.50	13,010.66	10,751.50	13,010.66
FINANCIAL LIABILITIES				
Level 3				
Amortised cost				
Borrowings	4,733.35	4,543.68	4,733.35	4,543.68
Trade payables	4,476.75	-	4,476.75	-
Capital creditors	1,125.75	-	1,125.75	-
Other financial liabilities	1,684.10	1,707.96	1,684.10	1,707.96
Total	12,019.95	6,251.64	12,019.95	6,251.64

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)

48) 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, 2023	As at March 31, 2022
In US \$	17.59	23.42
In INR	1,445.52	1,774.99
Conversion date of US \$ & EURO is	March 31, 2023	March 31, 2022

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, 2023		As at March 31, 2022	
	1% strengthen	1% weakening	1% strengthen	1% weakening
Foreign currency payable	(14.46)	14.46	(17.75)	17.75

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 ₹ 9,641.59 and ₹ 6,649.80 as of March 31, 2023 and March 31, 2022 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, 2023, The Company had a working capital of ₹ 13,027.57 lakhs including cash and cash equivalent of ₹ 612.95 lakhs.

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.

49) 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 31,2023	As at March 31,2022
i) Amount required to be spent by the company during the year	64.05	14.46
ii) Amount of Expenditure incurred	64.10	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	Helping Blind and Handicapped People, relief of the poor, Contribution for Schedule VII Activities, 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

50) ANALYTICAL RATIOS

Particulars	Formula	2022-23	2021-22	% Change During the Year	Reason for Change
1. Current Ratio	Current Assets/ Current Liabilities	2.36	3.24	-27%	Decrease in Working Capital
2. Debt-Equity Ratio	Total Debt/ Shareholders Equity	0.15	0.14	11%	
3. Debt Service Coverage Ratio	Earning available for Debt Service / Debt Service	5.00	11.72	-57%	Decrease in Debt
4. Return on Equity	Net Profit After Tax/ Average Shareholder's Equity	0.02	0.19	-87%	Decrease in Profits and increase in shareholders fund
5. Inventory Turnover Ratio	Cost of Goods Sold/ Average Inventory	2.34	1.66	41%	Increase in Inventory
6. Trade Receivables Turnover Ratio	Net Credit Sales/ Average Accounts Receivables	3.98	4.08	-2%	
7. Trade Payables Turnover Ratio	Net Credit Purchase/ Average Trade Payables	5.40	4.88	11%	
8. Net Capital Turnover Ratio	Net Sales/ Average Working Capital	2.05	2.17	-5%	
9. Net Profit Ratio	Net Profit/ Net Sales	0.03	0.22	-85%	Decrease in Profit
10. Return on Capital Employed	EBIT/ Capital Employed	0.04	0.18	-78%	Decrease in Profit
11. Return on Investment	Net Profit After Tax/ Average Total Assets	0.02	0.13	-86%	Decrease in Profit

51) 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****52) 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 March 23, 2022. The same shall come into force from annual reporting period beginning on or after April 01, 2022 which the Company has not applied as they are not effective for annual period beginning on or after April 01, 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.

- 53) 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

Ganesh Toshniwal
Partner
Membership No. 046669
Mumbai
May 24, 2023

Chandra Mohan Singhi
Director
DIN : 01793293

Vandana Somani
Director
DIN: 01218254

Chandni Shah
Company Secretary

NOTICE

Notice is hereby given that the 37th Annual General Meeting (AGM) of the Members of Kopran Research Laboratories Limited will be held on Wednesday, September 13, 2023 at 11.00 a.m. at Parijat House, 1076, Dr. E. Moses Road, Worli, Mumbai 400 018, to transact the following businesses:

Ordinary Business

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

To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2023 together with the Reports of the Board of Directors and Auditors thereon.

Item no. 2: Adoption of the Audited Consolidated Financial Statements

To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2023 together with the Reports of the Auditors thereon.

Item No.3: Declaration of Final dividend on Equity Shares

The Board of Directors has recommended a dividend of ₹ 2.20 (22%) per equity share of ₹ 10 for the Financial Year 2022-23.

Item no. 4: Appointment of a Director in place of one retiring by rotation

To appoint a Director in place of Mrs. Vandana Somani (DIN: 01218254) who retires by rotation in terms of section 152(6) of the Companies Act, 2013 and being eligible, offers herself for re-appointment.

Special Business

Item No. 5: Ratification of Remuneration of Cost Auditors

To consider and ratify the remuneration to be paid to M/s Dilip M. Malkar & Co., Cost Accountants (Firm Registration No. 101222), Cost Auditor of the Company and in this regard pass the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to Section 148 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, including any statutory modification or re-enactment thereof for the time being in force, the remuneration payable to M/s Dilip M. Malkar & Co., Cost Accountants (Firm Registration No. 101222) appointed by the Board of Directors of the Company as Cost Auditors to conduct the cost audit for the financial year 2023-24 at remuneration amounting to ₹ 1,50,000/- (Rupees One Lakh Fifty Thousand Only) plus applicable tax and reimbursement of travelling and out-of-pocket expenses to be incurred in connection with the Cost Audit, be and is hereby ratified.”

For **Kopran Research Laboratories Limited**

Chandni Shah
Company Secretary

Place: Mumbai
Date: May 24, 2023



ANNEXURE TO NOTICE

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

ITEM NO. 5: The Board of Directors at its meeting held on May 24, 2023, on the recommendation of the Audit Committee, approved the appointment of M/s Dilip M. Malkar & Co., Cost Accountants (Firm Registration No. 101222) as Cost Auditors of the Company to conduct the cost audit for the financial year 2023-24.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to Cost Auditor is to be ratified by the Members of the Company.

The resolution contained in Item no. 5 of the accompanying Notice seek members' approval for ratification of remuneration of Cost Auditors of the Company for the financial year 2023-24.

None of the Directors and Key Managerial Personnel of the Company or their relatives, is concerned or interested in the Resolution.

The Board recommends the resolution set out in Item No.5 for approval by Members

For Kopran Research Laboratories Limited

Chandni Shah
Company Secretary

Place: Mumbai

Date: May 24, 2023

Notes:

1. The Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.
2. MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. Proxies in order to be effective must be received not less than 48 hours before the meeting at the Registered Office at Parijat House, 1076, Dr. E. Moses Road, Worli, Mumbai 400 018.
4. Members / Proxies should bring duly filled in and signed Attendance Slip for attending the meeting.



Kopran

Kopran Research Laboratories Ltd.

Registered Office

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