



04<sup>th</sup> August, 2022

The Manager,  
Bombay Stock Exchange Limited  
Corporate Relationship Department  
P. J. Towers, Dalal Street,  
Mumbai - 400 001

The Manager,  
The National Stock Exchange of India Ltd.,  
Exchange Plaza,  
Bandra Kurla Complex, Bandra (E)  
Mumbai -400 051

BSE Scrip Code No. 524280

NSE Symbol: KOPRAN

Dear Sir/Madam,

**Sub: Submission of Annual Report for the FY 2021-22 (Including Notice of 63<sup>rd</sup> AGM)**

This is in reference to our letter dated June 29, 2022 informing you about the **63<sup>rd</sup> Annual General Meeting (AGM)** of the company which is scheduled to be held on Monday, August 29, 2022 at 11.30 a.m. (IST) through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM").

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we enclose the copy of the Annual Report for the FY 2021-22, along with the Notice of 63<sup>rd</sup> Annual General Meeting (AGM) for your records. The said Annual Report shall be sent to the Members through electronic mode, whose email ids are registered with the Company/ Depositories.

The Annual Report is also available on the company's website given below:

<https://www.kopran.com/investors/financials/pdf/Annual%20Report%202021-22.pdf>

Kindly take the above information on records.

Regards,  
For Kopran Limited

  
Sunil Sodhani  
Company Secretary & Compliance Officer  
Membership No. FCS 3897





# AS YOU SCROLL DOWN

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For more investor-related information please visit

<https://www.kopran.com/investors/financials/>

To view or download this Report online, scan the QR Code



## INVESTOR INFORMATION

CIN.....	<b>L24230MH1958PLC011078</b>
BSE Code .....	<b>524280</b>
NSE Symbol.....	<b>KOPRAN</b>
Bloomberg Code .....	<b>KOP:IN</b>
AGM Date.....	<b>August 29, 2022</b>

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



# ONE DIRECTION, ENDLESS OPPORTUNITIES

With over six decades of incessant efforts toward offering global-standard products and gaining industry insight, We have steadily built an institution of excellence through our sustained pursuit of consistent effort.

Volatile industry dynamics and unprecedented times became a major test of our resilience and strength. But we endured these challenges and remained intact to our commitment. Our determination and dedication to identify and develop world-class quality APIs and Formulations was unhindered, as we continued to march ahead. Our uninterrupted focus on Research and Development (R&D), along with strategic investments in the global generic business, for developing and filing products across markets complements our efforts to achieve long-term growth.

As we strive to make lasting and worthwhile contributions to human health and well-being through our scientific interventions, we are also exploring the endless ocean of opportunities toward only one direction – success, defined by our ability to create consistent, sustainable value for stakeholders, backed by care and integrity.

## KEY PERFORMANCE INDICATORS OF FY 2021-22 ON CONSOLIDATED BASIS

₹ **48,813** Lacs  
Revenue\*

₹ **8,739** Lacs  
EBITDA

₹ **6,103** Lacs  
PAT

**0.19** (X)  
Debt/Equity

\*Includes other income

# A QUICK READ: KOPRAN LIMITED

**With over six decades of experience, Kopran Limited ('Kopran' or 'we') continues to enjoy a strong industrial presence as a producer of a wide array of API and formulations.**

Since the Company's inception in 1958, we have been fulfilling our commitment to manufacture and supply world-class quality finished dosage forms and API. Headed towards only one direction – of success, to achieve continuous growth & leadership in our product. Kopran's formulation vertical manufactures oral solid dosages and dry powder formulation, both for Penicillin and Non-Penicillin-based drugs, with accreditations across all the continents. Backed by our innovative built-in process, we cater 100% export markets of both regulated and non-regulated markets. Our global reach testifies for our capable growth momentum, and spans across 50 countries including African countries, South Africa, Latin America, Southeast Asia, the European Union and UK.

Our state-of-the-art manufacturing facilities at Mahad (API plant that operates under Kopran Research Laboratories Limited) and Khopoli (Finished Dosage Forms plants) backed by modern equipment, qualifies as an industry-best setup and leverages us competitive advantage on global scale. With a constant and clear focus on launching new products, we are adapting to the industry dynamics while optimally using efficient and modern technologies in production. We believe in serving international-quality products basis a sustainability-led approach.





## WHAT SETS US APART?

- R&D and state-of-the-art capabilities
- Delivering quality products
- Having accreditations across all the continents
- Exporting to 50+ nations

## MISSION

To create a sustainable growth business through integrated approach to product development, adoption of latest technologies and highest standards of quality and manufacturing practices. As a socially conscious organisation, our endeavour is to provide medicines to people at affordable prices.

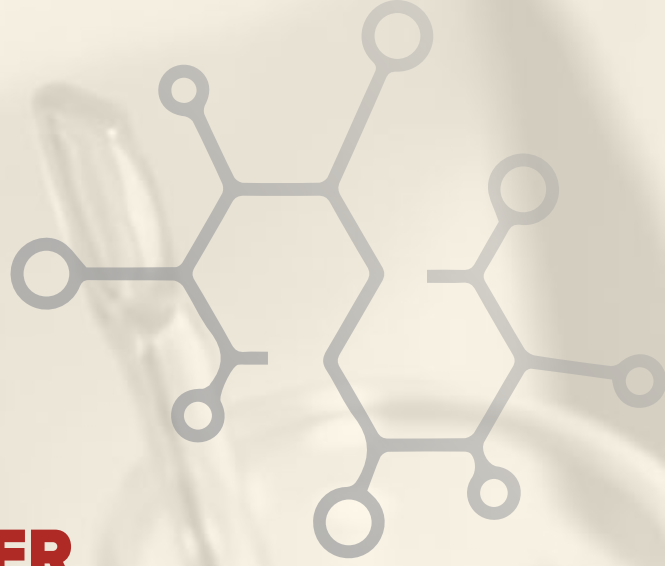


# OFFERING WORLD-CLASS QUALITY FOR BUILDING BETTER OPPORTUNITIES

We manufacture best-in-class integrated product portfolio, present across two vital stages in the pharmaceutical value chain. We manufacture a comprehensive range of high-quality APIs and Formulations for millions of people worldwide. Our product offering is distinguished by superior quality, innovation and technological capabilities. We cater to both regulated and non-regulated markets, while adhering to international standards through strict compliance. We believe, consistent evolution while offering the right solution is a pathway to success. Our extensive and competitive product portfolio of specialty API intermediates enables us to retain our position as a leading manufacturer.

## FORMULATIONS

We serve the global markets of the modern era and adhere to stringent international quality standards and manufacturing practices. We cater 100% regulated and non-regulated global market, supported by accreditations from 15 countries and offer formulation of oral solid dosages and dry powder for both Penicillin and Non-Penicillin-based drugs.



**258**

**Total Dossiers Filed  
in FY 2021-22**

**7**

**New Products  
Developed**

**4**

**Approvals Received  
in Regulated Market**

**28**

**Approvals Received  
in Non-Regulated  
Market**





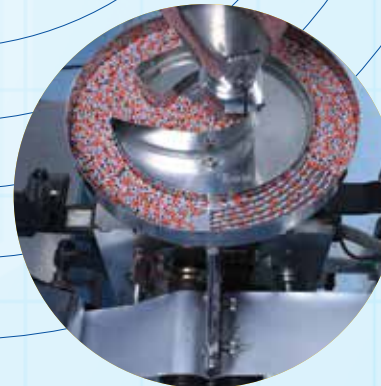
## PRODUCT SEGMENT

### Penicillin-based Finished Oral Dosage Forms

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

### Non-Penicillin-based Finished Oral Dosage Forms

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





## OUR ACCREDITATIONS INCLUDES

MHRA (UK), SAPHRA South Africa (formerly MCC), MMA Malta (EU GMP), Health Canada (Canada), FDA Philippines, DAV Vietnam, FDA Thailand, TMDA Tanzania (formerly TFDA), NDA Uganda, PPB Kenya, EFDA Ethiopia, MCAZ Zimbabwe, MOH Oman, MOH Iraq, MOH Yemen.

## ACTIVE PHARMACEUTICAL INGREDIENTS (API)

At Kopran, the API business is controlled by our wholly owned subsidiary, Kopran Research Laboratories (KRL). It helps in manufacturing and sale of diverse APIs and advance intermediaries. We manufacture API of global standards which forms an essential ingredient of our pharmaceutical value chain. Our world-class facility and quality system empower our exports and domestic

market presence, establishing us as one of the leaders in manufacturing of Atenolol and as a major player in Sterile Carbapenems.

## PRODUCT SEGMENT

- **Atenolol**
- **Pregabalin**
- **Cephalosporins–Non-Sterile & Sterile**
- **Macrolides**
- **Granules**
- **Sterile Carbapenems**
- **Multipurpose Plants**
- **Pilot Plants**



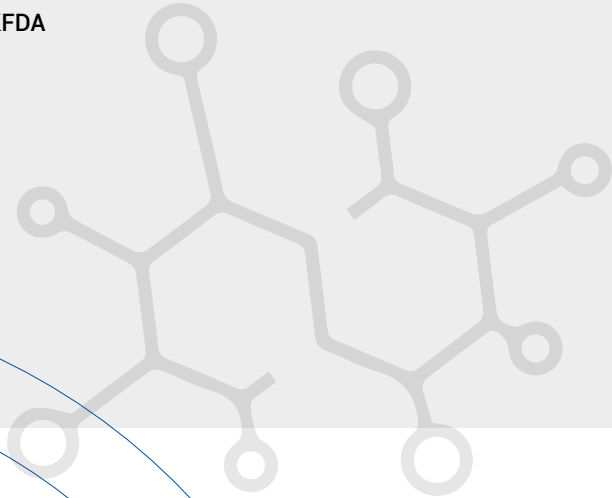


### Integrating Suitable Product With International Quality Standards

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

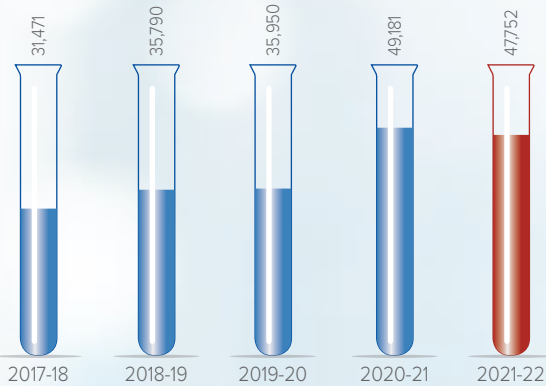
### OUR ACCREDITATIONS

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

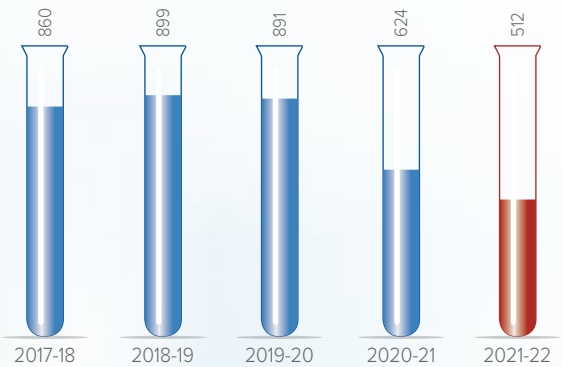


# NUMBERS THAT SHOWCASE WE ARE HEADED IN THE RIGHT DIRECTION

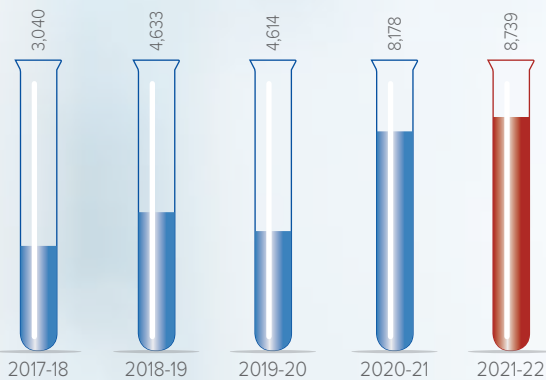
Revenue from operations (₹ in Lacs)



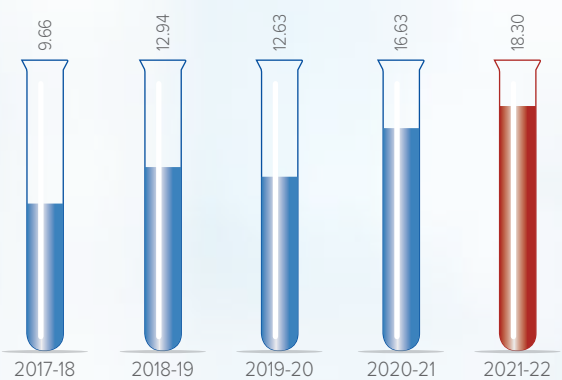
Finance Cost (₹ in Lacs)



EBITDA (₹ in Lacs)

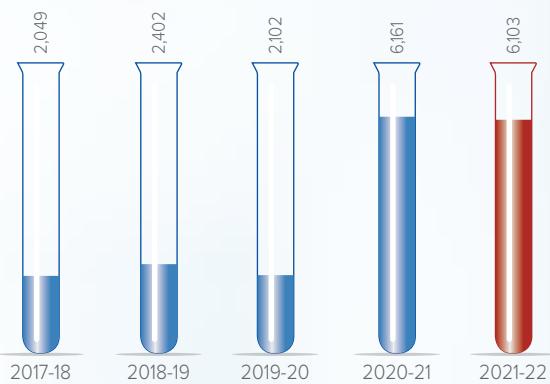


EBITDA Margin (%)

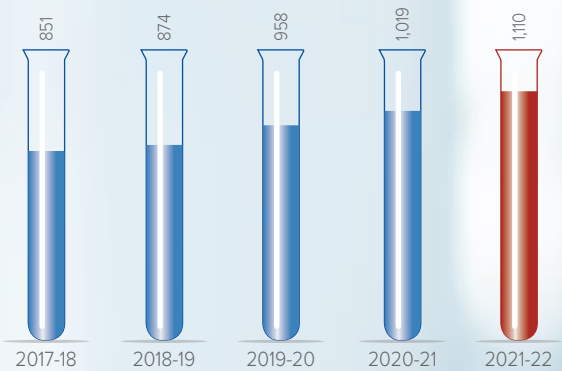




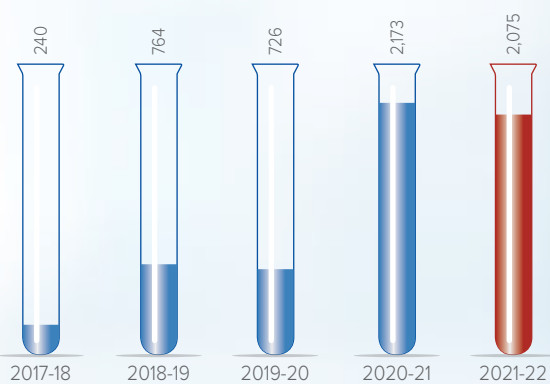
### Net Profit/Loss (₹ in Lacs)



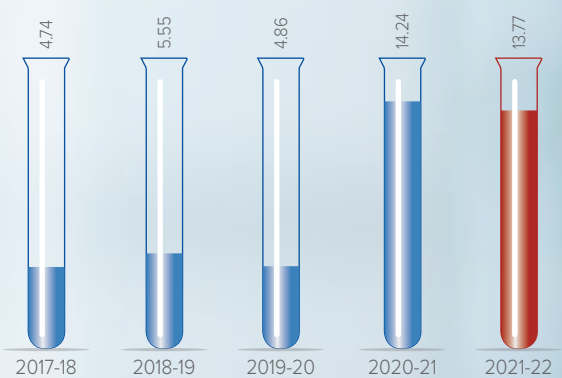
### Depreciation (₹ in Lacs)



### Tax Expenses (₹ in Lacs)



### Earnings Per Share (₹)





# EVOLVING WITH SUSTAINABLE SOLUTIONS & TAPPING POTENTIAL OPPORTUNITIES

Kopran is built upon the four pillars of Growth & Sustainability; Cost Leadership; Balance Profitability & Investment for Future and Business Development. These pillars underpin our efforts toward fulfilling our responsibilities, as a solution provider and customer-centric company. The adoption of a holistic approach further enables us to achieve our vision at every step – whether it be product development, regulatory compliance, progressive manufacturing, smart logistics or prudent investments in research and development.



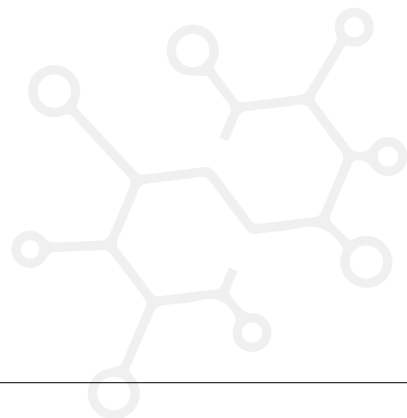
## GROWTH AND SUSTAINABILITY

Our major focus on R&D helps us in our pursuit of sustainable growth and capacity expansion. In this direction, we follow relevant compliances and operate within global regulatory standards, integrating international quality benchmark. Our synergies in developing and manufacturing APIs and formulations is flourishing our business.



## BALANCED PROFITABILITY & INVESTMENT FOR FUTURE

Our incessant efforts toward ensuring stability and business progress is in line with our vision to create consistent value. Thereby, we identify potential opportunities to enhance business profitability while attaining organisational goals. This further helps us to increase assets-to-turnover ratio and build sustainable finance with appropriate capital allocation.





## COST LEADERSHIP

Our prudence and efficiencies enable us to gain cost leadership, driven by our integrated manufacturing capabilities and optimal utilisation of resources. We develop intermediaries for APIs with an aim to reduce our dependency on imports and at the same time, enhancing our capacity on our path to become self-reliant. Moreover, through our robust R&D, we reduce operational costs and improve yields of existing products with automation in process of packing lines across certain departments.



## BUSINESS DEVELOPMENT

Our strategic endeavours are led by extensive market research that acts as a thread linking our measures toward expansion and better brand visibility. Besides, by following and learning about newer regulatory processes in filings and registrations across regions, we are tapping better growth prospects. Additionally, our product launches across therapeutic therapy is enabling us to acquire new customers and extend across new geographies.



# STRENGTHENING R&D TO PREPARE FOR EVERY OPPORTUNITY

At Kopran, we encompass manufacturing activities and prepare suitable solution for pharmaceutical industry. We are reaching millions of people through our quality product developed and manufactured with our R&D. The research and development team is built strong with experienced scientist who drives in the innovation with organic chemistry.

With our state-of-art Research Centre, we are positioned at the forefront of the production model. We are moving ahead for achieving our end goal to provide high quality API and Formulations worldwide with our plant location in Khopoli and Mahad with upcoming pilot plant at Panoli.

## FORMULATIONS

With the modern technology and methodology running our operations, we remain committed to manufacturing high-quality Penicillin and Non-Penicillin-based Finished Dosage Forms. With innovative and capable built-in facilities, we cater to international markets and comply to global standards, serving 258 dossiers, including Tablets, Dry Powder, Suspension Capsules, and Injectables and received approvals from four regulated markets. Our backward integration strategy of manufacturing API has led to competitive advantage for both branded and generic formulations. This helps us to attain cost advantage, build higher efficiencies and sets us apart from our competitors.



## ACTIVE PHARMACEUTICAL INGREDIENTS (APIs)

At Kopran, our strong in-house research and development enables us to remain intact to our commitment of testing and developing our high-end APIs. We assure high-quality APIs and effectiveness of the drugs, supporting us in retaining and acquiring customers. We have undertaken steps to expand our non-sterile plants, while developing our Panoli site as an API/intermediate facility. We have also filed process-patent applications for Nitroxoline in EU and China, will be adding more to our business. We have received process-patent for Nitroxoline in India and commercialised Ticagrelor and Rivaroxaban.

- 1<sup>st</sup> company to receive Drugs Controller General of India (DCGI) approval for launch of Biapenem in India and commercialisation
- 1<sup>st</sup> company to launch Biapenem in Russia
- Filed process-patent applications for Nitroxoline in EU and China
- Received process patent for Nitroxoline in India
- Registered Nitroxoline in Germany
- Commercialised Ticagrelor in H1 FY 2021-22
- Commercialised Rivaroxaban in Q4 FY 2021-22



## WIDENING OUR OFFERINGS THROUGH NEW PRODUCTS

### Product Pipeline – Products commercialised during the year

- Rivaroxaban
- Ticagrelor
- Biapenem
- Nitroxoline

### Products to be commercialised in FY 2022-23

- Tebipenem
- Faropenem
- Imipenem NS
- Ertapenem
- Apixaban
- Clopidogrel
- Rosuvastatin
- Montelukast
- Duloxetine Pellets 17%, 21.5%
- Venlafaxine Pellets 33%
- Dexlansoprazole Pellets 20%, 23%

### Products under development, to be commercialised after 2023

- Lacosamide
- Buspirone HCL
- Macitentan
- Riociguat
- Edoxaban tosylate
- Nitrofurantoin
- Dapagliflozin
- Canagliflozin
- Empagliflozin

We have advanced process R&D where our team uses an innovative approach to ideate, develop tests and manufacture products with the single purpose of offering high-quality APIs and formulations for customers.

- Working consistently on process and yield improvements of existing products to make them more competitive
- Ensuring smooth production of various organic intermediates and API by our robust R&D team
- The team of committed scientists is supported by a state-of-the-art Research Centre, as well as a pilot plant, in order to meet the difficulties of expanding client expectations
- We are also protecting the environment in terms of pollution and energy reduction





# CORPORATE INFORMATION

## BOARD OF DIRECTORS :

**Mr. Susheel G. Somani**

Chairman

**Mr. Surendra Somani**

Executive Vice Chairman

**Mr. Adarsh Somani**

Director

**Mrs. Mamta Biyani**

Independent Director

**Mr. Narayan Atal**

Independent Director

**Dr. Siddhan Subramanian**

Independent Director

**Dr. Sunita Banerji**

Independent Director

**Mr. Varun Somani**

Director

## CHIEF FINANCIAL OFFICER :

**Mr. Basant K. Soni**

## STATUTORY AUDITORS :

**M/s. Khandelwal Jain & Co.,**

Chartered Accountants

## REGISTRAR & TRANSFER AGENT :

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

Mumbai

## FORMULATION UNIT :

Village Savroli,

Taluka Khalapur,

Dist. Raigad, Khopoli

Maharashtra – 412202

Tel. No.: 02192-274500

## REGISTERED OFFICE :

'Parijat House', 1076, Dr. E. Moses Road,

Worli, Mumbai – 400018

Tel. No.: 022-43661111

Email: investors@kopran.com

## COMPANY SECRETARY & COMPLIANCE OFFICER :

**Mr. Sunil Sodhani**

## INTERNAL AUDITORS :

**Mr. Naveen Gupta**

Chartered Accountant

## BANKERS :

State Bank of India

RBL Bank Limited

YES Bank Limited

## API UNIT :

**Kopran Research Laboratories Limited  
(Subsidiary)**

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 63<sup>rd</sup> Annual Report together with the Audited Financial Statements for the financial year ended on March 31, 2022. The Consolidated performance of the Company & its subsidiaries has been referred to wherever required.

## 1. FINANCIAL PERFORMANCE

(₹ in Lacs)

Particulars for the Financial Year For the Period Ended	Standalone Basis		Consolidated Basis	
	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
Total Revenue	21,255	23,325	48,813	50,980
Less Expenses	19,638	20,054	40,635	42,646
Profit before Tax	1,616	3,271	8,178	8,334
Tax Expenses	442	923	2,075	2,173
Net Profit / ( Loss ) for the Period	1,174	2,347	6,103	6,161
Other Comprehensive Income/(Loss)	14	19	12	23
Total Comprehensive Income/(Loss)	1,188	2,366	6,115	6,183

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

## 2. OPERATIONS OF THE COMPANY

### Standalone Performance

Standalone Total Revenue was ₹ 21,255 Lacs, decreased by 8.87% over the previous year's figures of ₹ 23,325 Lacs. Profit before tax was ₹ 1,616 Lacs, decreased by 50.60% over the previous year's figures of ₹ 3,271 Lacs. Total Comprehensive Income was ₹ 1,188 Lacs, decreased by 49.79% over the previous year's figures of ₹ 2,366 Lacs.

### Consolidated Performance

Consolidated Total Revenue was ₹ 48,813 Lacs decreased by 4.25% over the previous year's figures of ₹ 50,980 Lacs. Profit before tax was ₹ 8,178 Lacs, decreased by 1.87% over the previous year's figures of ₹ 8,334 Lacs. Total Comprehensive Income was ₹ 6,115 Lacs, decreased by 1.10% over the previous year's figures of ₹ 6,183 Lacs.

### Operations of the Company & its Subsidiary

(₹ In Lacs)

Particulars		FY 2021-22	FY 2020-21	% Change +/-(-)
Formulations	Exports	20,308	20,935	(2.29)
	Local	144	1,348	(89.32)
<b>Total</b>		<b>20,452</b>	<b>22,283</b>	<b>(8.22)</b>
Active Pharmaceutical Ingredient (API)*	Exports	14,663	19,556	(25.02)
	Local	13,281	9,460	40.39
<b>Total</b>		<b>27,944</b>	<b>29,016</b>	<b>(3.69)</b>

\*Operations of the Kopran Research Laboratories Limited, Subsidiary Company.

During the financial year the turnover of Formulations was ₹ 20,452 Lacs as compared to ₹ 22,283 Lacs in the previous year, lower by 8.22%.

During the financial year the turnover of Active Pharmaceutical Ingredient (API) was ₹ 27,944 Lacs as compared to ₹ 29,016 Lacs in the previous year, lower by 3.69%.

## Directors' Report (Contd.)

### 3. DIVIDEND

The Directors of the Company recommend a Final dividend of ₹ 3.00 (30%) per Equity share, face value of ₹ 10 each, subject to the approval of the Members.

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

### 4. SHARE CAPITAL

Details of changes in the paid-up Equity share capital during the year under review are as under:

Paid Up Equity Share Capital	Number of Equity Shares (F.V ₹ 10/-)	Amount (₹)
At the beginning of the year as on April 1, 2021	4,32,50,606	43,25,06,060
Add: Issue of Equity shares on preferential basis*	49,59,999	4,95,99,990
At the end of the year as on March 31, 2022	4,82,10,605	48,21,06,050

\*During the year under review, the Company had allotted 49,59,999 Equity Shares of F.V ₹ 10/- each at premium of ₹ 245 per share on January 12, 2022 on preferential basis. The Company has raised ₹ 126.48 Crores on the preferential issue made under SEBI ICDR Regulations.

The Company has not issued shares with differential voting rights. It has neither issued employee stock options nor sweat equity shares and does not have any scheme to fund its employees to purchase the shares of the Company.

### 5. UTILISATION OF THE PROCEEDS FROM PREFERENTIAL ISSUE OF EQUITY SHARES

The utilisation of funds raised have been mentioned hereunder:

(₹ in Lacs)

Purpose of Issue	Allocation of Funds	Funds Utilised
<b>A. Kopran Research Laboratories Limited (Subsidiary)</b>		
Capital Expenditure	6,000.00	1,348.30
Short term & Long term working capital	4,048.00	4,048.00
<b>B. Kopran Limited</b>		
Capital Expenditure	600.00	125.29
Short term & Long term working capital	2,000.00	2,000.00

There has been no deviation in the use of proceeds of the Preferential Issue from the objects stated in the Offer document as per Regulation 32 of SEBI Listing Regulations. The Company has been disclosing on a quarterly basis to the Audit Committee, the usage & application of proceeds of the funds raised from Preferential Issue and also intimate the Stock Exchange(s) on a quarterly basis, as applicable.

### 6. MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis as prescribed under Part B of Schedule V read with Regulation 34(3) of the Listing Regulations 2015 is provided in **Annexure A** of this Report.

### 7. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

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

Kopran Research Laboratories Limited., Kopran (H.K.) Limited., and Kopran Lifesciences Limited. are the subsidiaries of the Company and the Salient features of their financial summary is provided in **Annexure B** of this Report. The Company has increased its investments in Kopran Research Laboratories Limited, Subsidiary Company, by subscribing to the Rights Issue amounting to ₹ 100 Crs during the year under review.

## Directors' Report (Contd.)

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

### 8. DIRECTORS & KEY MANAGERIAL PERSONNEL

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Adarsh Somani (DIN: 00192609), Non-executive Director of the Company, is to retire by rotation at the ensuing 63<sup>rd</sup> Annual General Meeting and being eligible, has offered himself for re-appointment.

The term of appointment of Executive Vice Chairman and Managing Director Mr. Surendra Somani (DIN: 00600860) shall expire on December 31, 2022 and the proposal for his re-appointment effective from January 1, 2023 for a further term of three years are included in the notice to the Annual General Meeting for approval of the Members. A Resolution seeking Shareholders approval for his re-appointment along with other required details form a part of the notice.

Composition and other details of Board of Directors on March 31, 2022 is annexed herewith as **Annexure D**. The Directors appointment and remuneration is in accordance with the Nomination and Remuneration Policy and policy on Board Diversity as adopted by the Company.

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

Mr. Surendra Somani – Executive Vice Chairman

Mr. Basant K Soni – Chief Financial Officer

Mr. Sunil Sodhani – Company Secretary and Compliance Officer

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

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

### 9. CORPORATE SOCIAL RESPONSIBILITY (CSR)

In compliance with requirements of Section 135 of the Act, the Company has laid down a CSR Policy. The composition of the Committee, contents of CSR Policy and report on CSR activities carried out and amount spent during the financial year ended March 31, 2022 in the format prescribed under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed herewith as **Annexure C**. The total CSR spending during the FY 2021-22 is ₹ 40,87,250 towards the obligation of current financial year i.e. 2% of the average net profits of the Company made during the immediately three preceding financial years and ₹ 60,010 excess amount spent in the current financial year is available for set off in succeeding financial years. The CSR policy is available on the Company's website on <http://kopran.com/investors/policy/>

### 10. MEETINGS OF THE BOARD

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

### 11. BOARD AND COMMITTEE EVALUATION

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

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

The evaluation process consisted of structured questionnaires covering various aspects of the functioning of the Board and its committees, such as composition, experience and competencies, performance of specific duties and obligations, governance issues etc. The Board also carried out the evaluation of the performance of Individual Directors based on

## Directors' Report (Contd.)

criteria such as contribution of the director at the meetings, strategic perspective or inputs regarding the growth and performance of the Company etc. The Directors were evaluated on aspects such as attendance, contribution at Board/Committee Meetings and guidance/support to the Management outside Board/Committee Meetings.

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

### 12. RISK MANAGEMENT AND INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has framed and implemented a Risk Management Policy in terms of the provisions of Regulation 17 of the SEBI Listing Regulations, for the assessment and minimisation of risk, including identification therein of elements of risk, if any, which may threaten the existence of the Company.

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 was no instance of fraud during the year under review.

More details on risks and threats have been disclosed hereinabove, as part of the Management Discussion and Analysis. Further, in view of the increasing size and complexity of the business operations, the Company is exposed to various risks emanating from frauds.

### 13. RELATED PARTY TRANSACTIONS

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

Related party transactions that were entered into during the financial year were on arm's length basis and were in ordinary course of business. There are no materially significant related party transactions made by the Company which may have potential conflict with the interest of the Company. There is no material related party transactions which are not in ordinary course of business or which are not on arm's length basis and hence there is no information to be provided as required under Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014. Suitable disclosure on related party transactions as required by the Indian Accounting Standard has been made in the notes to Financial Statement.

### 14. REPORT ON CORPORATE GOVERNANCE

The Report on Corporate Governance as required under Regulation 34 read with Schedule V of the SEBI Listing Regulations, 2015, forms part of this Annual Report. The requisite certificate from M/s P.P. Singh & Co, Practicing Company Secretary (Membership No. F11584, COP No. 15570), provided in **Annexure D**, confirming compliance with the conditions of Corporate Governance as stipulated under the aforesaid Schedule V is attached to the Report on Corporate Governance.

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

### 15. LOANS, GUARANTEE OR INVESTMENTS

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

### 16. AUDITORS

#### a) Statutory Auditors

The first term of M/s. Khandelwal Jain & Co. Chartered Accountants (Firm Registration No. 105049W) as Statutory auditors of the Company expires at the conclusion of the ensuing Annual General Meeting.

The Board has recommended the re-appointment of M/s. Khandelwal Jain & Co. Chartered Accountants (Firm Registration No. 105049W), as the Statutory Auditors of the Company, for another term of five consecutive years, from the conclusion of the 63<sup>rd</sup> AGM of the Company scheduled to be held in the year 2022 till the conclusion of the

## Directors' Report (Contd.)

68<sup>th</sup> AGM to be held in the year 2027, for approval of shareholders of the Company, based on the recommendation of the Audit Committee. The Auditors have confirmed their eligibility and qualification required under the Act for holding the office, as Statutory Auditors of the Company. The payments made to Auditors are given in the Report on Corporate Governance provided in **Annexure D**.

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

The notes to the financial statements are self-explanatory and do not call for any further comments.

### 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 FY 2021-22. M/S. P.P. Singh & CO, Practicing Company Secretary has issued the Secretarial Audit Report for FY 2021-22 for the Company and its Subsidiary Kopran Research Laboratories Limited, given in **Annexure E (i) & E (ii)** respectively. Secretarial Audit Report(s) for the financial year ended March 31, 2022 do not contain any qualification, reservation or adverse remark.

## 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, 2022, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year as on March 31, 2022 and of the profit of the Company for that period;
- iii. They have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. They have prepared the Annual Accounts on a going concern basis;
- v. They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- vi. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 18. EXTRACTS OF ANNUAL RETURN

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

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

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

## 20. PARTICULARS OF EMPLOYEES AND REMUNERATION

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



## Directors' Report (Contd.)

### 21. BUSINESS RESPONSIBILITY REPORT

Business Responsibility Report as required under Regulation 34 of the SEBI Listing Regulations, 2015, duly approved by the Board of Directors, forms part of this Annual Report and is annexed herewith as **Annexure H**.

### 22. VIGIL MECHANISM

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

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

The Company is committed to create and maintain an environment in which employees can work together without fear of sexual harassment, exploitation or intimidation. A Complaint Redressal Committee has been set up by your Company to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the FY 2021-22, no Complaints were received.

### 24. OTHER DISCLOSURES/REPORTING

Your Directors further state that during the year under review:

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

### 25. ACKNOWLEDGEMENTS

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

**On behalf of the Board of Directors**

Date: May 27, 2022  
Place: Mumbai

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

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

# Annexure A to the Directors' Report

## MANAGEMENT DISCUSSION & ANALYSIS

### INDIAN ECONOMY

The second wave of the Covid-19-led pandemic marked the beginning of FY 2021-22, leading to lockdowns and restrictions being re-imposed across states in the first quarter. Gradually, Indian economy bounced back strongly in the first half of FY 2021-22 owing to the decrease in Covid-19 cases, easing of lockdowns and lifting of restrictions across states, and mass vaccination drives. However, by February 2022, the geo-political tension triggered by the conflict between Russia and Ukraine is gradually brought in further economic consequences. The immediate effect was an increase in the energy and food prices. Crude oil and other commodity prices reached multi-year highs, and financial markets witnessed extreme volatility. Russia and Ukraine being one of the world's largest producers of agricultural products, such as wheat and sunflower oil, had to halt their manufacturing activities and exports owing to sanctions imposed on them and this created surplus demand for the Indian agricultural sector. The scenario led to the circular flow of money in the economy and increase in disposable income at household. With this, India registered the GDP for FY 2021-22 at 8.7%, retaining its position as the world's fastest-growing economy. (Source: <https://www.ndtv.com/business/economy-grew-at-8-7-in-2021-22-above-pre-pandemic-level-3025968>).

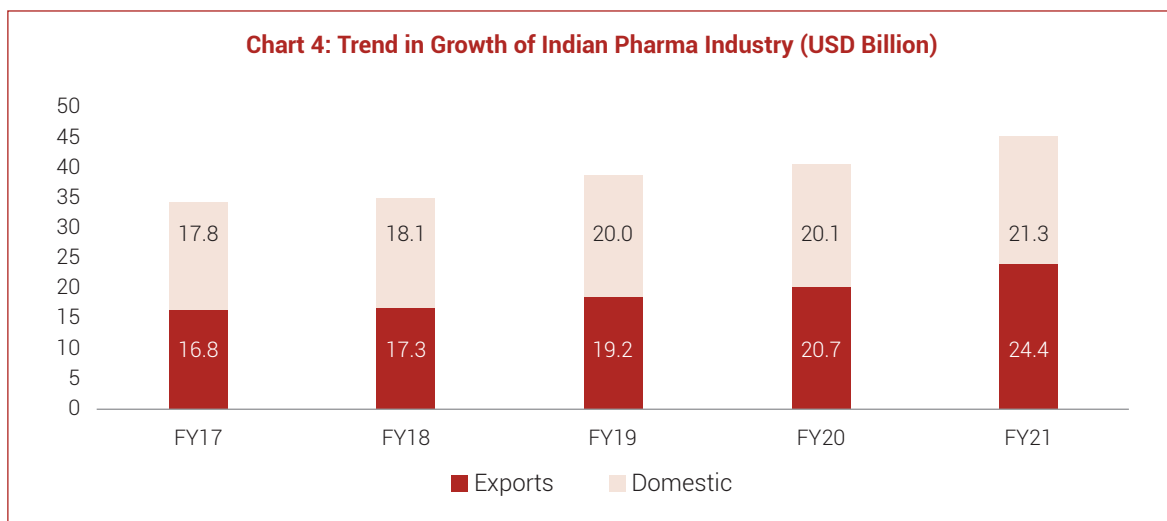
### OUTLOOK

The Indian economy is expected to maintain robust growth for the coming years, primarily led by consumer demand, macroeconomic stability, private consumption, and investment. This stability is backed by the economy's preparedness and resilience owing to the past few years. The Indian economy is expected to grow by 7.2% in FY 2022-23, according to the Reserve Bank of India (RBI). Higher inflation and rising fuel prices are potential risks that could hinder this growth but can be mitigated with effective strategies. Despite these challenges, India remains an investment hub for investors as an alternate manufacturing destination for specific industries such as manufacturing, agriculture, and information technology. This stance is likely to propel growth, bringing in more investments for the Indian economy. (Source: RBI – <https://timesofindia.indiatimes.com/business/india-business/imf-slashes-indias-gdp-forecast-to-8-2-for-fy23/articleshow/90939753.cms>)

### INDUSTRY OVERVIEW

#### Indian pharmaceutical industry

The Indian pharmaceutical industry (IPI) ranks third in terms of volume, and 14<sup>th</sup> by value, with a share of 5.92%, globally. The sector gained global trust, propelling the Indian pharmaceutical industry to the forefront. The industry was estimated to be worth around USD 46 Billion in FY 2020-21, with domestic and export segments accounting for roughly half of the industry's revenues. Due to the Indian medicine prices being lower than other countries but with no quality compromise, a total of 133 countries import these medicines. Therefore, establishing India as the 'Pharmacy of the world'.



Source : CARE Rating, CMIE

## Annexure A to the Directors' Report (Contd.)

The COVID-19 pandemic, a Black Swan event that drastically transformed the pharma sector, brought in both a number of challenges and opportunities to strengthen our medical infrastructure. The changes in the form of demand, regulation revision, research and development, approval delays, and supply chain management posed a hard time on the economy. India's pharmaceutical export stood at USD 24.62 Billion in FY 2021-22, retaining its position as the world's 12<sup>th</sup> largest exporter of medical supplies. The pharmaceutical sector contributes 6.6% to the domestic GDP. India supplied a total of 723.43 Lacs COVID-19 vaccination doses to 94 countries through commercial export as on November 29, 2021. The Indian pharmaceutical industry showcased a CAGR of 7%, from USD 35 Billion in FY 2016-17 to USD 46 Billion in FY 2020-21. This was supported by an increase in the size of exports and domestic markets.

### Active Pharmaceutical Ingredient (API) Industry

Active Pharmaceutical Ingredient (API) is a component of drug used in a finished pharmaceutical product, or can be referred as an active ingredient present in medicines. Furthermore, it is integral to both generic and branded products, and is a component with a direct effect on correcting, restoring, and modifying physiological functions. APIs directly affect the mitigation, treatment, diagnosis, cure, and prevention of disease. The Indian active pharmaceutical ingredient market was estimated to be worth USD 19,993.2 Million in 2021 and is anticipated to grow by 8.3% during FY 2021-28 (Source: <https://www.coherentmarketinsights.com/market-insight/india-active-pharmaceutical-ingredients-market-4785>). The primary factors fuelling growth in this market are owing to the rising chronic diseases in the country and the Government launched Production Linked Incentives (PLI) scheme as a part of Aatmanirbharta (self-reliance), encouraging the industry to build capacity and promote domestic manufacturing.

The global API market was valued at USD 185.72 Billion in 2020, and is anticipated to reach USD 220.56 Billion in 2023 and USD 266.80 Billion by 2026. Thus, registering a CAGR of 6.22% between the period of FY 2020-26. The supposed growth would mainly be a result of the rising demand for generic and biosimilar drugs and rising medical expenditure which further can be witnessed in coming years.

The pharmaceutical industry requires new scientific breakthroughs to drive diverse range of novel and effective medications and cures. This also forms a critical aspect of the API industry's global expansion.

### Growth Enablers

- Rising domestic demand and higher insurance coverage penetration
- Developing new complex generic drugs, supplemented by the new drugs and clinical trial rules, 2019 and the Atal Innovation Mission
- Strengthening the research and development activities through better investments by the API manufacturing Companies
- Designing new and automated algorithms through Artificial Intelligence (AI) to help the pharmaceutical industry achieve faster, precise, accurate, and repeatable results
- Increasing Government spending on hospitals and healthcare
- 100% FDI in the pharmaceutical sector under automatic route
- Increasing product approvals to combat infectious diseases and lessen burden on the industry
- Bringing in more expertise in low-cost generic patented drugs and a moving towards end-to-end manufacturing

### OPPORTUNITIES

#### In-house manufacturing to dominate the global market

The PLI scheme boosted domestic market manufacture and demand altogether. Additionally, manufacturing is now segmented into in-house manufacturing and contract manufacturing, wherein the inhouse manufacturing segment continues to be dominated by global APIs.

#### China lockout

The PLI scheme has benefited Indian API players by means of improved inventory management and thrust on supply chain continuity from business partners. This has made India move away from China, seeking alternative sources/destinations for business.

## Annexure A to the Directors' Report (Contd.)

### Government health coverage programmes

Ayushman Bharat, a flagship scheme of the Government of India is designed to meet Sustainability Development Goal "leave no one behind". Ayushman Bharat comprises two inter-related components – Health and Wellness Centres (HWCs) and Pradhan Mantri Jan Arogya Yojana (PM-JAY). Ayushman Bharat PM-JAY is at present the largest health scheme in the world, aiming to provide a health cover of ₹ 5 Lacs per family per year. So far, the scheme has approximately covered ₹ 50 Crs beneficiaries.

### Demand drivers

Demand is likely to rise in the pharmaceutical space mainly as a result of increasing diseases and secondly, because of penetration of health insurance. Changing lifestyles giving way to stress-related diseases and higher preference for better diagnostic facilities are other factors that would drive demand in this market.

### Rise in development and manufacturing

Covid-19 Pandemic has boosted the pharmaceutical sector by uplifting medical infrastructure. Also, the hospital market size is expected to increase by USD 200 Billion by 2024. The companies have started introducing product patents to drive overall segment.

(Source: <https://pib.gov.in/Pressreleaseshare.aspx?PRID=1546948> )

### GOVERNMENT INITIATIVES

In 2021, India inaugurated the first Global Innovation Summit of the pharmaceutical sector. The summit had over 40 international and national speakers deliberating on subjects including innovation infrastructure, regulatory environment, industry-academia collaboration, and funding for innovation.

To minimise import dependency and achieve self-reliance on the country's essential bulk drugs, the Government initiated Production-linked Incentive (PLI) scheme for pharmaceuticals. With this, additional ₹ 1,97,000 Crs were announced that is to be utilised over the next 5 years. This is aimed at promoting domestic manufacturing and advance innovation and the scheme covers 13 champion sectors including the pharmaceutical sector.

Recently, the Government announced the QR Codes mandate for APIs, a significant step in making medicine supply chains more secure. This will lead to assurance in quality of medicines against counterfeiting, according to experts. The QR codes on the label of all APIs manufactured or imported in India, at each level of packaging will enable tracking and tracing of the pharmaceutical ingredients, and will come into force by 2023.

(Source: <https://newsonair.com/2022/03/30/india-towards-an-atma-nirbhar-pharmacy-of-the-world/>)

### OUTLOOK

The pharmaceutical industry is growing year over year, despite several challenges. Demand for pharma products is increasing propelling advancement in India's health-care sector, complemented by digitalisation triggering a fundamental transformation. India is the third-largest pharmaceutical producer in the world and 14<sup>th</sup> largest by value. India caters to about 40% of generic demand in the United States and 25% of all medicine in the United Kingdom. India is also the world's largest supplier of generic medications, accounting for 20% of total worldwide pharmaceutical exports. The domestic pharmaceutical market was estimated at USD 42 Billion in 2021 and is likely to reach USD 65 Billion by 2024. The domestic market is also expected to grow 3x within the next decade.

Source: <https://www.ibef.org/industry/pharmaceutical-india#:~:text=The%20market%20is%20expected%20to,US%24%2060%20billion%20in%20value.>

### COMPANY OVERVIEW

Kopran Limited is an integrated global pharmaceutical Company committed to manufacturing and supplying international quality formulations and Active Pharmaceutical Ingredients (APIs) globally. The Company's state-of-the-art manufacturing facilities and products with various accreditations and approvals by major global regulatory authorities. The business' primary emphasis is on consistently strengthening its R&D backed by innovation, to drive better expansion and progress thereon. The Company's business operations are segregated into two: the formulation verticals is through Kopran Limited, and the APIs vertical is operated under Kopran Research Laboratories Limited (KRLL) a wholly owned subsidiary.

## Annexure A to the Directors' Report (Contd.)

### Developments during the Year

- Secured process patents for API product NITROXOLINE in India and filed patents in EU and China
- Commercialised APIs (Rivaroxaban, Ticagrelor, Biapenem, and Nitroxoline)
- Initiated further measures to strengthen R&D team and facilities to take up more products for development in both API and finished dosage forms
- Formulations, filed 258 dossiers and developed 7 new products
- Implemented expansion strategy

### PRODUCT PORTFOLIO

#### Formulation

The Company believes that innovation, backed by a supportive and capable team, enables to effectively develop and manufacture oral solid dosages and dry powder formulations for both Penicillin- and Non-Penicillin-based drugs, and other formulations. With this prowess, Kopran is able to meet the needs of international markets, with a range of more than 100 dosage forms, including Tablets, Capsules, Dry Powder, and Suspension. The Company also initiated automation of manufacturing and packaging lines to increase the throughput rate of finished products, build efficiencies across the production chain and optimise cost by reducing variable and manpower cost

#### Outlook

- Automisation of manufacturing and packaging lines to increase finished product output, efficiency across the production chain and reduce variable and manpower cost
- Develop new products and file dossiers in regulated and non-regulated markets
- Expanding geographical reach by entering into new markets

#### Active Pharmaceutical Ingredient (API)

Kopran proactively invests in quality and innovation to build in-house research. The business' API vertical is concentrated on high-value drugs with development, manufacturing, sale driver, and advanced intermediates. The product portfolio further comprises international quality bulk drugs product categories like Anti-hypertensive, Macrolides, Neuromodulator, Sterile Cephalosporins, Carbapenems, Anti-Acne, Anti-Infective, Urological, and Anti-Thrombotic – wherein Sterile Carbapenems is one of the major players. With this, Kopran owns world-class facility and quality systems that boost the business' overall growth.

#### Outlook

- To Develop complete range of carbapenems to solidify the Company's position in the segment
- Strengthen R&D team and facility to develop more sustainable innovative
- Commercial production at Panoli site is expected to commence in September 2022

#### Sustainable Growth Strategy

- Focus on R&D to develop niche, high value/high volume APIs and intermediates
- Focus on Capacity expansion for both APIs and Formulations
- Reducing dependency on China to move towards self sufficiency
- Capturing synergies between APIs and formulations
- Increasing customer base for new products
- Offering best-in-class quality through strict compliance

# Annexure A to the Directors' Report (Contd.)

## FINANCIAL PERFORMANCE HIGHLIGHTS

### Key Financial Ratios based on Consolidated Financial Statement

Key Ratio	FY 2021-22	FY 2020-21	Variance % +/-	Remarks
Debtors Turnover Ratio	3.86	4.62	(16)	-
Inventory Turnover Ratio	2.17	3.20	(32)	Increase in inventory to mitigate supply chain disruptions
Interest Coverage Ratio	16.98	14.36	18.25	-
Current Ratio	2.74	1.72	59	Increase in working capital
Debt Equity Ratio	0.19	0.32	(40)	Increase in share capital
Operating Profit Margin (%)	20.52%	20.29%	1	-
Net Profit Margin (%)	17.13	16.94	1	-
Return on Net Worth	0.21	0.35	(40)	Increase in share capital

### Key Financial Ratios based on Standalone Financial Statement

Key Ratio	FY 2021-22	FY 2020-21	Variance % +/-	Remarks
Debtors Turnover Ratio	3.77	4.85	(22)	-
Inventory Turnover Ratio	3.70	4.01	(8)	-
Interest Coverage Ratio	6.47	9.59	(33)	Due to lower profits in current year
Current Ratio	1.98	1.62	22	-
Debt Equity Ratio	0.10	0.06	54	Increase in Borrowings
Operating Profit Margin (%)	11.46	17.41	(34)	Due to increase in API prices
Net Profit Margin (%)	7.90	14.68	(46)	Increase in Packaging material cost and lower Forex gain.
Return on Net Worth	0.04	0.10	(62)	Due to lower net profit & increase in Share Capital

### Key Financial Highlights on the Consolidated Basis

(₹ in Lacs)

Particulars	FY 2021-22	FY 2020-21	Increase/(Decrease) (%)
Income from Operations	47,752.10	49,181.35	(2.91)
EBITDA	8,739.37	8,177.98	6.85
PBT	8,178.08	8,333.60	(1.87)
PAT	6,103.12	6,160.62	(0.93)
Material costs	27,137.64	30,179.27	(10.08)
Employee benefit expenses	4,326.69	3,715.66	16.44
Other Expenses	7,548.40	7,108.44	6.19
Shareholder's Fund	42,616.89	24,503.04	73.92
Non-Current liabilities	3,313.26	3,366.81	(1.59)
Current liabilities	15,158.56	16,068.43	(5.66)
Non-Current assets	19,601.24	16,243.36	20.67
Current assets	41,487.47	27,694.92	49.80

## Annexure A to the Directors' Report (Contd.)

### Key Financial Highlights on the Standalone Basis

(₹ in Lacs)

Particulars	FY 2021-22	FY 2020-21	Increase/(Decrease) (%)
Income from Operations	20,452.04	22,283.31	(8.22)
EBITDA	1,541.32	3,020.11	(48.96)
PBT	1,616.43	3,270.52	(50.58)
PAT	1,174.43	2,347.23	(49.97)
Material costs	12,782.67	13,774.37	(7.20)
Employee benefit expenses	2,105.45	1,833.87	14.81
Other Expenses	4,022.60	3,654.96	10.06
Shareholder's Fund	37,872.41	24,684.98	53.42
Non-Current liabilities	914.27	853.40	7.13
Current liabilities	7,625.42	6,856.99	11.21
Non-Current assets	31,280.96	21,283.80	46.97

### RISK MANAGEMENT & CONCERNS

#### Operational Risk

Manufacturing or quality control issues may impact the Company's reputation, affecting- business, results of operations, and financial conditions. To mitigate this risk, Kopran consistently seeks approval from leading global regulatory agencies and inspect our manufacturing facilities on a regular basis for quality and environmental compliance.

#### Suppliers Risk

Price volatility has a direct impact on profitability and margins. Profitability will shift if raw material prices and operational costs, among other things, change significantly. To reduce price risk, the Company is sourcing materials from multiple suppliers. Kopran closely monitors price trends and, as a result, develops a distinct purchase policy for each product with each supplier, reducing its reliance on suppliers. In order to mitigate the impact of price volatility, the Company does not enter into long-term fixed-price agreements with customers, and instead sells on a material-cost basis.

#### Research and Development Risk

The Pharmaceutical industry is focused on technology and research. The Company's management prioritises data security, operational automation, and industry technological advancement. As a result, the Company will continue to invest in cutting-edge technologies, R&D workforce, and laboratory infrastructure to strengthen its manufacturing and innovation capabilities. The Company also maintains close relationships with leading global companies and organisations in order to stay current on industry changes.

#### Competition Risk

The Pharmaceutical industry is fiercely competitive, and Kopran's inability to compete effectively may have a negative impact on its business, operating results, and financial condition. To be among the best in the industry, the Company is constantly working to improve its business capacities and capabilities in accordance with global standards. The in-house teams work on cost-cutting initiatives while exploring and tapping into new geographies.

### QUALITY & COMPLIANCE

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

## Annexure A to the Directors' Report (Contd.)

class quality systems that cover our business processes, from managing the supply chain to product delivery. The quality management systems are continuously monitored, evaluated, and upgraded to meet the latest industry regulations and best practices. Further, we have strengthened our quality process with the implementation of digitisation. This helps maintain sync with the growing number of processes and R&D needed, to manage compliance and risk efficiently.

### **INTERNAL CONTROL SYSTEM**

Kopran has a suitable internal control system that goes perfectly with the nature of the business and size. The Company believes in constant updates and innovation that helps Kopran to be a step ahead. The Audit Committee of the Board periodically reviews these systems, which record transactions, assets, and report on developments. Internal audit is being carried out by an independent firm of chartered accountants, quarterly. The Audit Committee also regularly reviews the periodic reports of the Internal Auditors. Thus, issues raised by Internal Auditors and Statutory Auditors are discussed and addressed by the Audit Committee.

### **CAUTIONARY STATEMENT**

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



## Annexure B to the Directors' Report

### FORM AOC-1

(Pursuant to section 129 (3) (1) read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

#### Part "A" : Subsidiaries

Fig in ₹

1	Name of Subsidiary & CIN No.	Kopran (H.K) Limited	Kopran Research Laboratories Limited	Kopran Lifesciences Limited
			U24230MH-1986PLC040601	U74120MH-2010PLC21112
2	Reporting Period for the Subsidiary Concerned, if different from holding company's reporting period	April 1, 2021 to March 31, 2022	April 1, 2021 to March 31, 2022	April 1, 2021 to March 31, 2022
3	Reporting Currency and Exchange rate as on the last date of the relevant financial year in the case of Foreign subsidies.	Hong Kong Dollar (HKD) ₹ 9.68 = 1HKD	Indian Rupees (₹)	Indian Rupees (₹)
4	Share Capital	1,00,06,000	22,50,00,000	5,00,000
5	Reserves & Surplus	1,17,19,903	2,97,22,98,307	(1,44,700)
6	Total Assets	2,17,54,955	4,26,82,33,876	11,17,112
7	Total Liabilities (except Share capital & Reserves)	29,053	1,07,09,35,569	7,61,812
8	Investment	-	8,87,325	10,00,000
9	Turnover	-	2,85,10,86,743	-
10	Profit Before Taxation	(2,28,342)	62,84,07,790	(8,500)
11	Provision for Taxation	24,113	16,31,95,465	-
12	Profit after Taxation	(2,52,455)	46,52,12,325	(8,500)
13	Proposed Dividend	Nil	65%	Nil
14	% of Shareholding	100%	99.50%	100%

Part "B": Associates and Joint Ventures: None

On behalf of the Board of Directors

Date: May 27, 2022  
Place: Mumbai

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

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

## Annexure C to the Directors' Report

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

SL No.	Particulars	Updates																						
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																							
	<table border="1"> <thead> <tr> <th>Sl. No.</th> <th>Name of Director</th> <th>Designation / Nature of Directorship</th> <th>Number of meetings of CSR Committee held during the year</th> <th>Number of meetings of CSR Committee attended during the year</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Mrs. Mamta Biyani</td> <td>Chairperson/Independent Director</td> <td>2</td> <td>2</td> </tr> <tr> <td>2</td> <td>Mr. Surendra Somani</td> <td>Member/Director</td> <td>2</td> <td>2</td> </tr> <tr> <td>3</td> <td>Mr. Varun Somani</td> <td>Member/Director</td> <td>2</td> <td>2</td> </tr> </tbody> </table>	Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year	1	Mrs. Mamta Biyani	Chairperson/Independent Director	2	2	2	Mr. Surendra Somani	Member/Director	2	2	3	Mr. Varun Somani	Member/Director	2	2			
Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year																				
1	Mrs. Mamta Biyani	Chairperson/Independent Director	2	2																				
2	Mr. Surendra Somani	Member/Director	2	2																				
3	Mr. Varun Somani	Member/Director	2	2																				
3	Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company	<a href="https://www.kopran.com/investors/policy/pdf/Corporate%20Social%20Responsibility%20Policy%20revised%2003022022.pdf">https://www.kopran.com/investors/policy/pdf/Corporate%20Social%20Responsibility%20Policy%20revised%2003022022.pdf</a>																						
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:																							
	<table border="1"> <thead> <tr> <th>Sl. No.</th> <th>Financial Year</th> <th>Amount available for set-off from preceding financial years (in ₹)</th> <th>Amount required to be setoff for the financial year, if any (in ₹)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>2020-21</td> <td>1,59,000</td> <td>1,59,000</td> </tr> </tbody> </table>	Sl. 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	2020-21	1,59,000	1,59,000															
Sl. 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	2020-21	1,59,000	1,59,000																					
6	Average net profit of the Company for last three financial years as per section 135(5)	₹ 20,93,12,000																						
7	(a) Two percent of average net profit of the Company as per section 135(5)	₹ 41,86,240																						
	(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	₹ 1,59,000																						
	(d) Total CSR obligation for the financial year (7a+7b-7c).	₹ 40,27,240																						
8	(a) Details of CSR spent during the financial year:																							
	<table border="1"> <thead> <tr> <th rowspan="3">Total Amount Spent for the Financial Year. (In ₹)</th> <th colspan="5">Amount Unspent (in ₹)</th> </tr> <tr> <th colspan="2">Total Amount transferred to Unspent CSR Account as per section 135(6).</th> <th colspan="3">Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).</th> </tr> <tr> <th>Amount.</th> <th>Date of Transfer</th> <th>Name of the Fund</th> <th>Amount.</th> <th>Date of Transfer</th> </tr> </thead> <tbody> <tr> <td>40,87,250</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> </tbody> </table>	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	40,87,250	-	-	-	-	-	
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																			
40,87,250	-	-	-	-	-																			
	(b) Details of CSR amount spent against ongoing projects for the financial year: NIL																							



## Annexure C to the Directors' Report (Contd.)

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
1										
Total										

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

Sl. NO	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No)	Location of the project.		Amount spent for the project	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State	District			Name	CSR Registration number
1	Covid-19 relief for the blind	(ii)	Yes	Maharashtra	Mumbai	52,000	Yes	-	-
2	Covid-19 Vaccination	(i)	Yes	Maharashtra	Thane, Raigad District	3,44,250	Yes	-	-
3	Food distribution for the poor	(i)	Yes	Maharashtra	Mumbai	3,00,000	No	Anant Trust	CSR00017030
4	Health Care	(i)	No	Maharashtra	Mumbai	2,00,000	No	Manav Jyot	CSR00010121
5	Environment Sustainability	(iv)	Yes	Maharashtra	Mumbai	9,70,000	Yes	-	-
6	Contribution for Schedule VII Activities	(i), (ii)	Yes	Maharashtra	Mumbai	12,50,000	No	Shri S K Somani Memorial Trust	CSR00006629
7	Construction of old age home	(iii)	No	Maharashtra	Palghar, Maharashtra	9,71,000	No	Maratha Life Foundation	CSR00015288
<b>TOTAL</b>						<b>40,87,250</b>			

(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)

₹ 40,87,250

(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)	₹ 41,86,240*
(ii)	Total amount spent for the Financial Year	₹ 40,87,250
(iii)	Excess amount spent for the financial year [(ii)-(i)]	₹ 60,010
(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)]	₹ 60,010

\* 2% of the average net profits of the Company made during the immediately three preceding financial years is ₹ 41,86,240 and after adjustment of ₹ 1,59,000 excess CSR amount available for set off of previous years the total CSR obligation for the financial year is ₹ 40,27,240. The CSR spent during the FY 2021-22 was ₹ 40,87,250 and ₹ 60,010 excess amount spent in the current financial year is available for set off in succeeding financial years.

## Annexure C to the Directors' Report (Contd.)

9	(a) Details of Unspent CSR amount for the preceding three financial years : Nil								
	Sl. 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.		
	(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 the reporting Financial Year (in ₹).	Cumulative amount spent at the end of reporting Financial Year. (In ₹)	Status of the project - Completed / Ongoing.
10	In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (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).							NIL	
11	Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per section 135(5).							NOT APPLICABLE	

### On behalf of the Board of Directors

Date: May 27, 2022  
Place: Mumbai

**Susheel Somani**  
Chairman  
(DIN 00601727)

**Surendra Somani**  
Executive Vice Chairman  
(DIN 00600860)

**Mamta Biyani**  
Chairperson of CSR Committee  
(DIN 01850136)

## Annexure D to the Directors' Report

### REPORT ON CORPORATE GOVERNANCE

#### A. BOARD

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

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

##### 2. Board of Directors

The composition of Board is in conformity with Regulation 17 of SEBI (LODR) Regulations, 2015 as amended. As on March 31, 2022 the Company has a Non-Executive Chairman and half of the total number of Directors are comprised of Independent Director. The Board comprises of Eight Directors of which Seven are Non-Executive Directors and one is Executive Director. The Non-Executive Directors comprise of Four Independent Directors, including Two Women Directors. All the Non- Executive Directors draw remuneration only by way of sitting fees for attending the meeting of the Board and the Committee thereof. None of the Directors are related to each other except Mr. Varun Somani, who is the son of Mr. Surendra Somani, Executive Vice Chairman of the Company.

##### a. Composition and Details of Directorship of Directors in other Listed Entities and the category of their Directorship as on March 31, 2022 are as below:

Name of Director	Appointment /Cessation during the FY 2021-22	Name of Listed Entity where Directorship is held	Category of Directorship	
Mr. Susheel G. Somani	Re-appointed as Director liable to retire by rotation w.e.f August 31, 2021	Kopran Limited	Non-Executive Director	Chairman (Promoter)
		Oricon Enterprises Limited	Non-Executive Director	Chairman (Promoter)
Mr. Surendra Somani	-	Kopran Limited	Executive Director	Vice Chairman (Promoter)
Dr. Siddhan Subramanian	-	Kopran Limited	Non-Executive Director	Independent Director
Dr. Sunita Banerji	-	Kopran Limited	Non-Executive Director	Independent Director
Mrs. Mamta Biyani	-	Kopran Limited	Non-Executive Director	Independent Director
		Oricon Enterprises Limited	Non-Executive Director	Independent Director
		Damodar Industries Limited	Non-Executive Director	Independent Director
Mr. Narayan Atal	-	Kopran Limited	Non-Executive Director	Independent Director
		Elpro International Limited	Non-Executive Director	Independent Director
		Ajcon Global Services Limited.	Non-Executive Director	Independent Director

## Annexure D to the Directors' Report (Contd.)

Name of Director	Appointment /Cessation during the FY 2021-22	Name of Listed Entity where Directorship is held	Category of Directorship	
Mr. Adarsh Somani		Kopran Limited	Non-Executive Director	Director (Promoter)
		Oricon Enterprises Limited	Executive Director	Joint Managing Director (Promoter)
		Sarvamangal Mercantile Company Limited	Non-Executive Director	Director (Promoter)
Mr. Varun Somani	-	Kopran Limited	Non-Executive Director	Director (Promoter)
		Oricon Enterprises Limited	Non-Executive Director	Director (Promoter)

**Note:**

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

**b. Board Meetings & Skills Sets of the Board:**

During the FY 2021-22 the Board met five times on the following dates: May 27, 2021, August 6, 2021, October 27, 2021, December 8, 2021, and February 3, 2022.

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

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

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

## Annexure D to the Directors' Report (Contd.)

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

The attendance of Directors at Board meetings during the FY 2021-22 and at the last Annual General Meeting including information on the number of Directorships and Committee positions held by them in other companies are given below.

Name of Director	Attendance at		No. of Directorships held in other public Companies	Number of Committee Positions held in other Public Companies	
	Board Meeting during FY 2021-22	Last AGM held on August 31, 2021		Member	Chairman
Mr. Surendra Somani	5	Yes	1	0	0
Dr. Siddhan Subramanian	4	Yes	0	0	0
Dr. Sunita Banerji	5	No	1	2	2
Mr. Adarsh Somani	5	Yes	6	4	1
Mr. Varun Somani	5	Yes	3	2	1
Mrs. Mamta Biyani	5	No	3	3	0
Mr. Narayan Atal	5	Yes	2	7	4

The above number of other directorships does not include Directorships, Committee Memberships and Committee Chairmanships in Private Limited, Foreign and Section 8 Companies.

### d. Remuneration to Directors and their Shareholding during the FY 2021-22

#### i. Details of remuneration to Executive Directors

Name of Director	No. of Equity Shares	Remuneration (in ₹)
Mr. Surendra Somani	5,03,075	1,48,50,000
Other benefits/Stock Option/Pension/Bonuses/ Performance Linked Incentives		None
As per the terms of appointment there is no Severance Fee and the Notice Period is three months.		

#### ii. Details of remuneration to Non-Executive Directors

Name of the Director	No. of Equity Shares	Details of sitting Fees (in ₹)	
		Board	Committee
Mr. Susheel G Somani	8,71,900	60,000	0
Dr. Siddhan Subramanian	-	60,000	10,000
Dr. Sunita Banerji	-	72,000	30,000
Mr. Adarsh Somani	1,81,250	60,000	15,000
Mr. Varun Somani	2,72,500	60,000	25,000
Mrs. Mamta Biyani	-	72,000	30,000
Mr. Narayan Atal	-	72,000	20,000

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

### 3. Code of Conduct

The Board of Directors has laid down a Code of Conduct for all Board members, and all employees, including the senior management of the Company. This Code serves as a guide for our daily business interactions reflecting our standard for appropriate behavior and our corporate values, and is designed to prevent, detect, and address any allegation of misconduct and to provide guidance to Personnel in recognising and dealing with important ethical and legal issues and to foster a culture of honesty and accountability within the organisation.

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

## Annexure D to the Directors' Report (Contd.)

### 4. CEO & CFO Certification

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

### 5. Dividend Distribution Policy

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

### 6. Familiarisation Programme of Independent Directors

The Familiarisation Programme for Independent Directors was held on March 25, 2022. The Details of Familiarisation Program imparted to Independent Directors is available on the Company's Website  
<https://www.kopran.com/investors/profile/pdf/Familiarization%20programe%20of%20Independent%20Directors.pdf>

## B. COMMITTEES

### 1. Audit committee

#### i. Brief terms of reference

The Committee has discharged such other role/ functions as envisaged under Regulation 18 of the Listing Regulations, 2015 and the provisions of Section 177 of the Companies Act, 2013.

The terms of reference of the Audit Committee, inter alia, include:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Reviewing, with the Management, the quarterly financial results/annual financial statements and auditor's report thereon before submission to the Board for approval;
3. Recommendation for appointment, remuneration and terms of appointment of statutory auditors;
4. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
5. Reviewing, with the Management, performance of internal auditors, adequacy of the internal control systems, internal controls of different functions and businesses;
6. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
7. To recommend to the Board revision in Insider Trading Policy and to supervise implementation of the Insider Trading Code.
8. Approval or any subsequent modification of transactions with related parties.

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

During the FY 2021-22 four Audit Committee meetings were held on May 27, 2021, August 6, 2021, October 27, 2021, and February 3, 2022.

Requisite quorum was present at the above meetings. The Chairman of the Audit Committee briefed the Board members on the significant discussions which took place at Audit Committee Meetings. The Company Secretary acts as Secretary of the Committee.

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

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



## Annexure D to the Directors' Report (Contd.)

### 2. Nomination and Remuneration Committee (NRC)

i. Brief terms of reference

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

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

During the FY 2021-22 the Nomination & Remuneration Committee meeting was held on May 27, 2021 and February 2, 2022.

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

Name	Designation	Category	Committee Meeting attended
Dr. Siddhan Subramanian	Chairman	Independent Director	1
Dr. Sunita Banerji	Member	Independent Director	2
Mr. Varun Somani	Member	Non-Executive Director	2

iii. Performance evaluation criteria of Independent Directors

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

Pursuant to the provision of the Companies Act, 2013, SEBI (LODR) Regulations, 2015 as amended and Guidance Note on Board Evaluation issued by SEBI, the Board has carried out the Annual Performance Evaluation of the Independent Directors on February 2, 2022.

### 3. Stakeholders Relationship Committee

During the FY 2021-22 Stakeholders Relationship Committee Meeting was held on February 2, 2022.

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

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

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

Status of Shareholder's Complaints for FY 2021-22

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

### 4. Corporate Social Responsibility Committee (CSR)

During the FY 2021-22 Corporate Social Responsibility Committee Meetings were held on May 27, 2021 and February 2, 2022.

## Annexure D to the Directors' Report (Contd.)

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

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

### 5. Risk Management Committee (RMC)

Brief terms of reference include a framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee, Measures for risk mitigation including systems and processes for internal control of identified risks, Business continuity plan; to ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company; to monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems; to periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity; to keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken; to review the appointment, removal and terms of remuneration of the Chief Risk Officer (if any), to coordinate its activities with other committees, in instances where there is any overlap with activities of such committees etc.

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.

During the FY 2021-22 Risk Management Committee Meetings were held on June 28, 2021 and January 1, 2022.

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

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

### OTHER COMMITTEES

#### 6. Corporate Affairs Committee

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

During the FY 2021-22 Corporate Affairs Committee Meetings were held on May 27, 2021, August 6, 2021, September 29, 2021, November 9, 2021, December 10, 2021, January 12, 2022, and March 15, 2022.

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

Name	Designation	Category	Committee Meetings attended
Mr. Surendra Somani	Chairman	Executive Director	7
Mr. Adarsh Somani	Member	Non-Executive Director	7
Mr. Varun Somani	Member	Non-Executive Director	7

## Annexure D to the Directors' Report (Contd.)

### C. SHAREHOLDERS INFORMATION

#### i. General Meetings:

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

AGM	Date	Day	Time	Location of the Meeting	No. of Special Resolutions passed
60 <sup>th</sup>	July 20, 2019	Saturday	11.00 am	Shri S.K. Somani Memorial Hall, HVB Academy, 79, Marine Drive, Mumbai 400 020	Three <sup>#</sup>
61 <sup>st</sup>	September 16, 2020	Wednesday	12.00 Noon	Virtual	Two <sup>*</sup>
62 <sup>nd</sup>	August 31, 2021	Tuesday	12.30 p.m	Virtual	One <sup>**</sup>

- #1. Appointment of Mr. Susheel Somani (DIN: 00601727) as Director.
- #2. Approval of Remuneration payable to Mr. Surendra Somani (DIN: 00600860) as Executive Vice Chairman for the remainder period of his tenure till December 31, 2019.
- #3. Re-appointment of Mr. Surendra Somani (DIN: 00600860) as Executive Vice Chairman.
- \*4. Re-appointment of Dr. Siddhan Subramanian (DIN: 02101174) as an Independent Director.
- \*5. Re-appointment of Dr. Sunita Banerji (DIN: 02476075) as an Independent Director.
- \*\*6. Re-appointment of Mr. Susheel G Somani (DIN: 00601727) as a Non-executive and Non Independent Director, having attained age of 80 years, liable to retire by rotation.

#### ii. General Shareholders Information:

1)	Date, time and venue of 63 <sup>rd</sup> AGM	:	Monday, August 29, 2022 at 11.30 a.m (IST) through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") Electronic copy of the Notice of 63 <sup>rd</sup> Annual General Meeting of the Company shall be sent to all Members whose email addresses are registered with the Company/Depository Participant(s)
	Financial Year	:	2021-22
2)	Date of Book Closure	:	August 8, 2022 to August 10, 2022(both days inclusive)
3)	Dividend payment date, if declared at the AGM	:	Payment of dividend shall be made within 30 days of its declaration at AGM
4)	Listing on Stock Exchanges	:	BSE Limited P. J. Towers, Dalal Street, Mumbai – 400 001. Phone no. 22721233/34 -66545695 National Stock Exchange of India Limited. Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051. Phone no. 26598100-66418100
5)	Listing fees	:	Paid as per the listing agreement
6)	ISIN No.	:	INE082A01010
7)	BSE Scrip code	:	524280
	NSE Scrip Code	:	KOPRAN

## Annexure D to the Directors' Report (Contd.)

8)	Registered office	:	Kopran Limited., Parijat House, 1076, Dr. E. Moses Road, Worli, Mumbai – 400 018 Tel. No. 022-43661111 Fax No. 022-24950363, Website: www.kopran.com CIN: L24230MH1958PLC011078														
9)	Registrar & Share Transfer Agent (RTA) & Investor correspondence	:	Bigshare Services Private Limited Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East) Mumbai – 400093. Board No.: 022 62638200 Fax No: 022 62638299 Email: bhagwan@bigshareonline.com or Secretarial Department, Kopran Limited., Parijat House, 1076, Dr. E. Moses Road, Worli, Mumbai – 400 018 Tel.No.022-43661111: Fax No. 022-24950363, Email: investors@kopran.com														
10)	Compliance Officer	:	Mr. Sunil Sodhani, Company Secretary & Compliance Officer. Email : <a href="mailto:sunil@kopran.com">sunil@kopran.com</a> Tel No. 022-43661251														
11)	Share Transfer System	:	The Company's shares are traded compulsorily in Dematerialised form at BSE Limited and National Stock Exchange. Shares in physical segment which are lodged for transfer are processed by our RTA and returned to the Shareholders within stipulated time period.														
12)	Outstanding GDR/ADR/Warrant or any convertible instruments, conversion date and likely impact on Equity	:	The Company does not have any outstanding GDRs / ADRs / warrants / convertible instruments.														
13)	Dematerialisations of shares	:	As on March 31, 2022, 47922301 shares representing 99.39% of Equity shares are held in dematerialised mode.														
14)	Plant Location	:	Formulation Unit: Village Savroli, Taluka Khalapur, District Raigad, Khopoli-410 202 API Unit: Kopran Research Laboratories Limited. (Subsidiary Company) K-4, Additional MIDC, Village Birwadi, Near Global Board, Mahad – 402 302.														
15)	Credit Rating	:	CRISIL has assigned rating as under of the Company: <table border="1" data-bbox="746 1491 1449 1630"> <tr> <td>Total Bank Loan Facilities Rated</td> <td>₹ 55.35 Crs</td> </tr> <tr> <td>Long-Term Rating</td> <td>CRISIL BBB+/Stable (Reaffirmed)</td> </tr> <tr> <td>Short-Term Rating</td> <td>CRISIL A2 (Reaffirmed)</td> </tr> </table> CRISIL has assigned rating as under of the Subsidiary : <table border="1" data-bbox="746 1676 1449 1844"> <tr> <td colspan="2">Kopran Research Laboratories Limited</td> </tr> <tr> <td>Total Bank Loan Facilities Rated</td> <td>₹ 83.5 Crs</td> </tr> <tr> <td>Long-Term Rating</td> <td>CRISIL BBB+/Stable (Reaffirmed)</td> </tr> <tr> <td>Short-Term Rating</td> <td>CRISIL A2 (Reaffirmed)</td> </tr> </table>	Total Bank Loan Facilities Rated	₹ 55.35 Crs	Long-Term Rating	CRISIL BBB+/Stable (Reaffirmed)	Short-Term Rating	CRISIL A2 (Reaffirmed)	Kopran Research Laboratories Limited		Total Bank Loan Facilities Rated	₹ 83.5 Crs	Long-Term Rating	CRISIL BBB+/Stable (Reaffirmed)	Short-Term Rating	CRISIL A2 (Reaffirmed)
Total Bank Loan Facilities Rated	₹ 55.35 Crs																
Long-Term Rating	CRISIL BBB+/Stable (Reaffirmed)																
Short-Term Rating	CRISIL A2 (Reaffirmed)																
Kopran Research Laboratories Limited																	
Total Bank Loan Facilities Rated	₹ 83.5 Crs																
Long-Term Rating	CRISIL BBB+/Stable (Reaffirmed)																
Short-Term Rating	CRISIL A2 (Reaffirmed)																

## Annexure D to the Directors' Report (Contd.)

### 15) Distribution of Shareholding as on March 31, 2022

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

Range	No. of Shareholders	% of Shareholders	Holdings	% to Capital
01 to 500	35193	86.64	3808962	7.90
501 to 1000	2660	6.54	2172259	4.50
1001 to 2000	1316	3.24	1999175	4.14
2001 to 3000	452	1.11	1159926	2.40
3001 to 4000	229	0.56	822655	1.70
4001 to 5000	156	0.38	736498	1.52
5001 to 10000	309	0.76	2281651	4.73
10001 and above	302	0.74	35229479	73.07
<b>Grand Total</b>	<b>40617</b>		<b>48210605</b>	<b>100.00</b>

### 16) Stock market price data for the year FY 2021-22

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

Month	BSE			National Stock Exchange		
	High	Low	Volume of Shares Traded (In Lacs)	High	Low	Volume of Shares Traded (in Lacs)
April-21	183.70	105.00	4498.67	183.45	104.8	299.26
May-21	234.10	167.00	5319.05	234	168.65	212.15
June-21	231.75	172.00	3080.34	231.85	172	102.38
July-21	257.00	220.70	1418.96	254	221.1	38.22
August-21	262.00	178.15	1080.16	261	178.6	37.36
September-21	229.95	194.35	275.83	230	194.5	12.96
October-21	223.70	190.10	883.57	223.4	192	29.35
November-21	270.40	195.45	1540.11	272	194.65	61.43
December-21	369.35	251.60	3882.09	370.45	249.55	134.09
January-22	342.35	273.75	1449.41	342.9	273.55	44.59
February-22	325.00	250.40	1767.83	327	250.1	41.96
March-22	314.00	255.00	1542.82	315	255	30.19

### 17) Yearly Stock Performance Vs Benchmark Index

NSE exchange	As on March 31, 2022	As on March 31, 2021	Change in %
Nifty (Closing Index)	17464.75	14690.70	+18.88
Nifty Pharma (Closing Index)	13584.10	12272.60	+10.69
Kopran Limited (Closing Price)	280.95	105.05	+167.44

### 18) Details of Unclaimed Suspense Account

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

There are no shares in demat suspense account reported by the RTA or any amount in unclaimed suspense account at the end of the financial year March 31, 2022.

## Annexure D to the Directors' Report (Contd.)

### 19) Nomination Facility

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

### 20) Means of communication

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

## D. GENERAL INFORMATION

### 1. Subsidiary Company

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

During the FY 2021-22 the Company has invested ₹10000 Lacs by subscribing to Rights Issue of the Kopran Research Laboratories Limited, Subsidiary Company.

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

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

### 2. Foreign Exchange Risk and hedging activities.

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

### 3. Disclosures

- i. There were no materially significant related party transactions that may have potential conflict with the interests of the Company at large. The Company has formulated a Related Party Transactions Policy and the same is displayed on the Company's website at the following web link <http://www.kopran.com/investors/policy/pdf/Policy%20on%20related%20party%20transaction.pdf>
- ii. The Company has complied with the requirements of the Stock Exchange, SEBI and other Statutory Authorities on all matters relating to Capital Markets during the last three years. No penalties or strictures were imposed on the Company by these authorities.
- iii. The Company has complied with all mandatory requirements of Listing Regulations with the Stock Exchanges as on March 31, 2022.
- iv. Adoption / non adoption of non-mandatory requirements listed in Part E of Schedule II of the Listing Regulations as at March 31, 2022 is as under:
  - a. The Company does not maintain an office for the Non-Executive Chairman.
  - b. As the Financial Results are published in the newspaper as well as displayed on the Company's website, the Results are not sent to household of each of the Shareholders.
  - c. The auditors have issued an unqualified opinion for financial statements for the year ended March 31, 2022.

## Annexure D to the Directors' Report (Contd.)

- d. The Company is already having separate posts for Chairman and Executive Vice Chairman (Managing Director).
- e. Internal Auditor reports to Audit Committee.
- v. Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the Statutory Auditor is a part:

(₹ In Lacs)

Name of the Company	Name of Statutory Auditor	Particulars	Amount
Kopran Limited	Khandelwal Jain & Co.	Audit Fees	9.00
		Other Matters	-
Kopran Research Laboratories Limited	NGS & Co. LLP	Audit Fees	5.00
		Other Matters	-
Kopran Lifesciences Limited	NGS & Co. LLP	Audit Fees	0.06

- vi. There has not been any non-compliance on matters related to Capital Markets by the Company and no penalties or strictures were imposed on your Company by any of the Stock Exchange(s) or the Securities and Exchange Board of India or any statutory authority, on any matter related to capital markets, during the last three Financial Years.
- vii. During the FY 2021-22, the Company has raised fund through Preferential Allotment of 49,59,999 Equity Shares of F.V ₹ 10 each at Premium of ₹ 245 per share under Preferential Issue in cash under the provision of Chapter V of SEBI (ICDR) Regulation 2018.
- viii. During the FY 2021-22, there were no instances reported/recorded, where the Board of Directors of the Company did not accept recommendation(s) of any of its Committees.
- ix. The Company has complied with all the requirements of Corporate Governance Report of sub-paras (2) to (10) of Para C to Schedule V of the Listing Regulations:
- x. P. P Singh & Co. Practicing Company Secretaries has provided Compliance certificate from regarding compliance of conditions of corporate governance under Annexure 3 (a) and a Certificate of Non-Disqualification of Directors (Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) under Annexure 3(b).
- xi. Disclosures of compliance with Corporate Governance requirements specified in Regulation 17 to 27 and Regulation 46(2)(b) to (i) of the Listing Regulations:

Sr. No.	Particulars	Regulation	Compliance Status Yes/ No/ N.A.	Compliance observed for the following:
1.	Independent directors	16(1)(b) & 25(6)	Yes	<ul style="list-style-type: none"> <li>Independent directors have been appointed in terms of specified criteria of independence and or eligibility.</li> </ul>
2.	Board of Directors	17 & 17A	Yes	<ul style="list-style-type: none"> <li>Board Composition</li> <li>Meeting of Board of Directors</li> <li>Review of Compliance Reports</li> <li>Plans for Orderly Succession for Appointments</li> <li>Code of Conduct</li> <li>Minimum Information to be placed before the Board</li> <li>Compliance Certificate</li> <li>Risk Assessment and Management</li> <li>Performance Evaluation of Independent Directors</li> <li>Disclosure of shareholding by non-executive directors</li> </ul>

## Annexure D to the Directors' Report (Contd.)

Sr. No.	Particulars	Regulation	Compliance Status Yes/ No/ N.A.	Compliance observed for the following:
3.	Audit Committee	18	Yes	<ul style="list-style-type: none"> <li>• Composition</li> <li>• Meeting of Audit Committee</li> <li>• Role &amp; Powers of Audit Committee</li> <li>• Review of Information by the Committee</li> </ul>
4.	Nomination and Remuneration Committee	19	Yes	<ul style="list-style-type: none"> <li>• Composition</li> <li>• Role of the Committee</li> <li>• Frequency of Meetings</li> <li>• Quorum</li> </ul>
5.	Stakeholders Relationship Committee	20	Yes	<ul style="list-style-type: none"> <li>• Composition</li> <li>• Role of the Committee</li> <li>• Frequency of Meetings</li> </ul>
6.	Risk Management Committee	21	Yes	<ul style="list-style-type: none"> <li>• Composition</li> <li>• Role of the Committee</li> </ul>
7.	Vigil Mechanism	22	Yes	<ul style="list-style-type: none"> <li>• Formulation of Vigil Mechanism</li> <li>• Direct access to Chairperson of Audit Committee</li> </ul>
8.	Related Party Transactions	23	Yes	<ul style="list-style-type: none"> <li>• Policy for Related Party Transactions</li> <li>• Disclosure of Related Party Transactions</li> <li>• Prior or omnibus approval of audit committee for all related party transactions</li> </ul>
9.	Corporate Governance requirements with respect to subsidiary of Listed entity	24 & 24A	Yes	<ul style="list-style-type: none"> <li>• Review of Investments made by unlisted subsidiary companies by the Audit Committee</li> <li>• Minutes of Meetings of Board of Directors of unlisted subsidiary companies placed at the Meetings of the Board of Directors of the Company</li> <li>• Secretarial Audit Report of Material Subsidiary to be annexed</li> </ul>
10	Obligations with respect to Independent Directors	25	Yes	<ul style="list-style-type: none"> <li>• Maximum Directorships and Tenure</li> <li>• Meeting of Independent Directors</li> <li>• Familiarisation of Independent Directors</li> </ul>
11	Obligations with respect to Directors and Senior Management	26	Yes	<ul style="list-style-type: none"> <li>• Memberships / Chairmanships in Committees</li> <li>• Affirmation with compliance to Code of Conduct from Directors and Senior Management</li> </ul>
12.	Other Corporate Governance Requirements	27	Yes	<ul style="list-style-type: none"> <li>• Compliance with discretionary requirements</li> <li>• Filing of quarterly compliance report on Corporate Governance</li> </ul>



## Annexure D to the Directors' Report (Contd.)

Sr. No.	Particulars	Regulation	Compliance Status Yes/ No/ N.A.	Compliance observed for the following:
13.	Website	46(2)(b) to (i)	Yes	<ul style="list-style-type: none"> <li>• Terms and conditions of appointment of Independent Directors</li> <li>• Composition of various Committees of Board of Directors</li> <li>• Code of Business Conduct and Ethics for Directors Management Personnel</li> <li>• Details of establishment of Vigil Mechanism / Whistle Blower Policy</li> <li>• Policy on dealing with Related Party Transactions</li> <li>• Details of familiarisation programmes imparted to Independent Directors</li> </ul>

### On behalf of the Board of Directors

**Mr. Susheel G. Somani**

Chairman  
(DIN: 00601727)

**Mr. Surendra Somani**

Executive Vice Chairman  
(DIN: 00600860)

Date: May 27, 2022

Place: Mumbai

## Annexure D to the Directors' Report (Contd.)

### ANNEXURE 1

#### Code of Conduct

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

I hereby confirm that:

All Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct of the Company for the financial year ended March 31, 2022.

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

## Annexure D to the Directors' Report (Contd.)

### ANNEXURE 2

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

To,  
The Board of Directors,

**Kopran Limited**

Dear Members of the Board,

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

- (a) We have reviewed the financial statements and the cash flow statement for the financial year ended March 31, 2022 and to the best of our knowledge and belief, we state that:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- (b) There are no transactions entered into by the Company during the financial year, which are fraudulent, illegal or abuse of the Company's code of conduct.
- (c) We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
  - (i) significant changes, if any, in the internal control over financial reporting during the year;
  - (ii) significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Date: May 27, 2022  
Place: Mumbai

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

**Mr. Basant Kumar Soni**  
Chief Financial Officer

# Annexure D to the Directors' Report (Contd.)

## ANNEXURE 3(A)

### P. P SINGH & CO.

PRACTICING COMPANY SECRETARIES

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

To,

The Members,

**Kopran Limited**

Parijat House, 1076,

Dr. E. Moses Road, Worli,

Mumbai - 400018.

We have examined the compliance of the conditions of Corporate Governance procedures implemented by **KOPRAN LIMITED** (hereinafter call the "**Company**") for the financial year ended on March 31, 2022 as per Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter called the "**Listing Regulations**") pursuant to the Listing Agreement of the Company with the Stock Exchanges and we have examined the relevant records of the Company in accordance with the Guidance Note on Corporate Governance Certificate issued by The Institute of Company Secretaries of India (the "ICSI").

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

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

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

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

#### **For P.P SINGH & CO.**

**Pushpenrda Pratap Singh**

Practicing Company Secretary

UDIN: F011584D000399466

Membership No.: F11584

COP No.: 15570

Place: Mumbai

Date: May 27, 2022

712-714, C- Wing, Trade World, Kamla Mill Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013  
Contact: +91 7208273964. PAN: BTKPS3852C

# Annexure D to the Directors' Report (Contd.)

## ANNEXURE 3 (B)

### P. P SINGH & CO.

PRACTICING COMPANY SECRETARIES

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number ("**DIN**") status at the portal [www.mca.gov.in](http://www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as at the end of the Financial Year ending on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

The details of directors are captured herewith:

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

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

**For P.P SINGH & CO.**

**Pushpenrda Pratap Singh**  
Practicing Company Secretary  
UDIN: F011584D000399521  
Membership No.: F11584  
COP No.: 15570

Place: Mumbai  
Date: May 27, 2022

712-714, C- Wing, Trade World, Kamla Mill Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013  
Contact: +91 7208273964. PAN: BTKPS3852C

# Annexure E (i) to the Directors' Report

## P. P SINGH & CO.

PRACTICING COMPANY SECRETARIES

### FORM NO. MR-3

#### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

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

To,

The Members,

**Kopran Limited**

**CIN: L24230MH1958PLC011078**

Parijat House, 1076,

Dr. E. Moses Road,

Worli, Mumbai – 400 018

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by the **KOPRAN 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 authorised 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, 2022**, 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, 2022**, according to the provisions of:

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

The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (hereinafter called the "**SEBI Act**"):

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c) The Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 **[Not applicable as the Company has not issued any Employee Stock Option Scheme or Employee Stock Purchase Scheme to its employees during the audit period];**
- f) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **[Not applicable during the period of audit as the Company has not issued any share based employee benefits to its employees during the audit period];**

## Annexure E (i) to the Directors' Report (Contd.)

- g) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **[Not applicable as the Company has not issued and listed any debt securities during the financial year under review]**
- h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **[Not applicable as the Company has not delisted its equity shares during the period under review]** and
- i) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998; **[Not applicable as the Company has not bought back its securities during the period under review];**

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

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

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

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

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

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

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 other than the issue and allotment of 49,59,999 Equity Shares of a face value of ₹10/- at a premium of ₹245/- per equity share each on preferential basis.

**For P.P SINGH & CO.**

**Pushpenrda Pratap Singh**

Practicing Company Secretary

UDIN: F011584D000399345

Membership No.: F11584

COP No.: 15570

Place: Mumbai

Date: May 27, 2022

**Note:**

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

# Annexure E (i) to the Directors' Report (Contd.)

## ANNEXURE I

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

### MANAGEMENT'S RESPONSIBILITY

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

### AUDITOR'S RESPONSIBILITY

2. 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: F011584D000399345  
Membership No.: F11584  
COP No.: 15570

Place: Mumbai  
Date: May 27, 2022



## Annexure E (ii) to the Directors' Report

**P. P SINGH & CO.**

PRACTICING COMPANY SECRETARIES

### **FORM NO. MR-3**

#### **SECRETARIAL AUDIT REPORT**

*FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022*

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

To,  
The Members,  
**Kopran 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 authorised 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, 2022**, 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, 2022**, 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.

## Annexure E (ii) to the Directors' Report (Contd.)

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 other than the issue and allotment of the 25,00,000 equity shares of ₹ 10 each at a premium of ₹ 390 per share, aggregating value of ₹ 1,00,00,00,000/- (Rupees One Hundred Crs Only) on Right basis, for cash to the existing shareholders.

**For P.P SINGH & CO.**

**Pushpenrda Pratap Singh**

Practicing Company Secretary

UDIN: F011584D000400577

Membership No.: F11584

COP No.: 15570

Place: Mumbai

Date: May 26, 2022

**Note:**

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

## Annexure E (ii) to the Directors' Report (Contd.)

### 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: F011584D000400577  
Membership No.: F11584  
COP No.: 15570

Place: Mumbai  
Date: May 26, 2022

## Annexure F to the Directors' Report

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

Information required under section 134 (3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 pertaining to Conservation of energy, Technology absorption, Foreign exchange earnings and outgo for the FY 2021-22

#### **A. CONSERVATION OF ENERGY**

1. Voltage stabiliser for lighting load plant I & II of 20 kva & 15 kva installation to reduce power consumption by constant voltage 210-volt, industrial single-phase voltage up to 255 volts.
2. The Company has installed solar panel street light fixtures 25 nos.
3. Installed power factor panel to reduce the harmonic and to maintain power factor 0.998 in to utility.
4. The Company has replaced the 40 watt florescent conventional lights by energy efficient 20 watt LED light fixtures for PM warehouse and service floor both plants that is 110 nos.

#### **B. TECHNOLOGY ABSORPTION**

##### **1. Efforts made towards Technology Absorption**

- a. Formulation and development of modified release formulations like Diltiazem MR tablets, delayed release formulations like Esomeprazole tablets and Pantoprazole tablets etc.
- b. Conduct Laboratory trials for identified products, developed products, generate documents like MFC, TTD, PDR etc.
- c. Technology transfer of new products, Conduct validation and stability for developed products, e.g. Co-amoxiclav Tablets, Clarithromycin Tablets, Diltiazem MR tablets, Co-tenidone tablets, Phenoxyethyl penicillin Dry syrup, Pregabalin Mecobalamine capsules.

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

- a. Development of New process for Enalapril tablets formulation to improve product stability and process time reduction.
- b. Alternate API vendor development for Albendazole tablets, Ibuprofen tablets, ultimately reduced cost.

#### **C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

Earnings: ₹ 20,220.43 Lacs

Outgo: ₹ 2,083.50 Lacs

#### **On behalf of the Board of Directors**

Date: May 27, 2022  
Place: Mumbai

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

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

## Annexure G to the Directors' Report

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

As per the provision of section 197 of the Companies Act, 2013 read with Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2016 every listed company are required to disclose following information in Board Report.

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

Name	Ratio to Median = 1
Surendra Somani – Executive Vice Chairman	37.46

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

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

Name	% increase
Surendra Somani – Executive Vice Chairman	No change
Basant Kumar Soni – Chief Financial Officer	No change
Sunil Sodhani – Company Secretary & Compliance officer	8.33

Percentage increase in the median remuneration of employee in the financial year	3.38
Number of permanent employees on the Roll of the Company	400
Average percentile increase already made in the Salaries of the employees other than the Managerial Personnel from last Financial Year	3.83
Average percentile increase already made in the Salaries of the Managerial Personnel from the last Financial Year	8.34

Comparison with the percentile increase in the Managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the Managerial remuneration. : The increase in salaries of Non Managerial personnel is done on wage agreement between the Company and Non Managerial personnel. The increase in Managerial Salary is done as per the Company Remuneration Policy keeping in view of the industry standards.

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

#### On behalf of the Board of Directors

Date: May 27, 2022  
Place: Mumbai

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

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

# Annexure H to the Directors' Report

## BUSINESS RESPONSIBILITY REPORT

### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company: L24230MH1958PLC011078
2. Name of the Company: Kopran Limited
3. Registered address: Parijat House, 1076, Dr E Moses Road, Worli, Mumbai – 400 018.
4. Website : www.kopran.com
5. E-mail id : investors@kopran.com
6. Financial Year reported : 2021-22
7. Sector(s) that the Company is engaged in (industrial activity code-wise):

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

8. List three key products/services that the Company manufactures/provides (as in balance sheet)
  - i. Aryn
  - ii. Lokit
  - iii. Ciproquin
9. Total number of locations where business activity is undertaken by the Company
  - (a) Number of International Locations (Provide details of major 5)  
The Company has foreign subsidiary at Hong Kong.
  - (b) Number of National Locations – The Company has manufacturing facilities situated at Village Savroli, Khopoli, District Raigad & API unit of Kopran Research Laboratories Limited (subsidiary Company) is at Mahad, District Raigad.
10. Markets served by the Company – Local/State/National/International  
The Company exports to around 25 countries worldwide which constitutes 99.30% of the total turnover, while 0.70% of its turnover constitutes local/state/National Markets.

### SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (₹) : 4,821.06 Lacs
2. Total Turnover (₹) : 20,452.04 Lacs
3. Total profit after taxes (₹) : 1,174.43 Lacs
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)  
2% of the average net profits of the Company made during the immediately three preceding financial years is ₹ 41,86,240 and after adjustment of ₹ 1,59,000 excess CSR amount available for set off of previous years the total CSR obligation for the financial year is ₹ 40,27,240 . The CSR spent during the FY 2021-22 was ₹ 40,87,250 and ₹ 60,010 excess amount spent in the current financial year is available for set off in succeeding financial years.
5. List of activities in which expenditure in 4 above has been incurred towards Contribution for Schedule VII Activities of the Companies Act 2013 as follows:
  - (a) Covid-19 relief activities including support to differently abled artists, vaccination and food distribution
  - (b) Infrastructure support to hospital and oldage home.
  - (c) Contribution towards environmental sustainability and promoting education

## Annexure H to the Directors' Report (Contd.)

### SECTION C: OTHER DETAILS

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

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

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

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

### SECTION D: BR INFORMATION

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

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

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

## Annexure H to the Directors' Report (Contd.)

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

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

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



## Annexure H to the Directors' Report (Contd.)

### 3. Governance related to BR

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

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

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

Yes, BR is published annually in the Annual Report and available at <http://www.kopran.com/investors/financials/>.

### SECTION E: PRINCIPLE-WISE PERFORMANCE

#### Principle 1: Ethics, Transparency & Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No.

Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

Yes

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

During the year under review, the Company did not receive any such complaint(s).

#### Principle 2: Product Sustainability

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

(a) Installed power factor panel to reduce the harmonic and to maintain power factor 0.998 in to utility.

(b) ETP water plant in operational for treatment and recycled water for gardening and plantation.

(c) Tree plantation done surrounding of the plant for environment.

(d) Renovation of water storage tank for Savroli villagers.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

(a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

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

i. Improved yield in the formulation in Paralget 500, Atenolol 50 & 100 mg, Klodip 5 & 10 mg, Zimat tablets and Amyn SF dry syrup etc.

ii. The benefits derived like manpower reduction, product quality and quantity improvement, cost reduction, product development or import substitution.

iii. Drying and coating process cycle time reduced for Ibuprofen tablet formulation.

iv. The expenditure incurred on Research and Development equipments.

v. Automatic Capsules filling machine has been procured.

vi. Accupack Blister machine and Cartonator and ACG online capsule check weigher has been procured.

vii. PDA 300 with camera system for tablet capsule blistering process for productivity sustainable.

viii. PTS system install to compression machines and granulation area to reduce the dust particles.

ix. Voltage stabiliser for lighting load plant I & II of 20 kva & 15 kva installation to reduce power consumption by constant voltage 210 volt, industrial single phase voltage up to 255 volts.

x. The Company has replaced the 40 watt florescent conventional lights by energy efficient 20 watt LED light fixtures for PM warehouse and service floor both plants that is 110 nos.

## Annexure H to the Directors' Report (Contd.)

- xi. Development of New process for Enalapril tablets formulation to improve product stability and process time reduction.
  - xii. Technology transfer of new products, Conduct validation and stability for developed products, e.g. Co-amoxiclav Tablets, Clarithromycin Tablets, Diltiazem MR tablets, Co-tenidone tablets, Phenoxyethyl penicillin Dry syrup, Pregabalin Mecobalamine capsules.
3. Does the Company have procedures in place for sustainable sourcing (including transportation)?
- (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company has well defined procedure for transportation and vendor management, where in materials are procured from approved vendors both, local and international. Procedures are in place for Vendor management, transport validation. The sources are validated in defined frequencies with risk base approach. Annual vendor rating is also part of defined procedure.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?
- (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?
- Yes, the Company gives preference to the local & small producers and in case of unavailability other sources are looked upon. In order to reduce the Carbon footprint and to support sustainability, majority of suppliers are located close to the manufacturing plants, thereby reducing transportation & fuel consumption as well as vehicle emission into environment.
5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Yes, Company have mechanism to recycle product and waste. Any waste, it is treated to adhere to the Environmental norms. ETP water is discharged with treatment and recycled for gardening and plantation. The Company provides technical support and guidance to vendors in developing products wherever possible. Treated solid waste send to Mumbai Waste Management Limited for incineration.

### Principle 3: Employee Well Being

- 1. Total number of employees : 678
- 2. Total number of employees hired on temporary/contractual/casual basis : 278
- 3. Please indicate the Number of permanent women employees : 44
- 4. Please indicate the Number of permanent employees with disabilities : 0
- 5. Do you have an employee association that is recognised by management : Yes
- 6. What percentage of your permanent employees is members of this recognised employee association? : 70%
- 7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

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

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

## Annexure H to the Directors' Report (Contd.)

### Principle 4: Stakeholders Engagement

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

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

### Principle 5: Human Rights

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Company's policy on human rights covers the Company & its subsidiaries. The Company encourages its Business Partners to follow the policy.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

During the year under review, the Company did not receive any such complaint(s).

### Principle 6: Preservation of Environment

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others:

The Company's policy on environment covers the Company & its subsidiaries. We encourage our business partners to follow the policy. Further, suppliers / contractors having related ISO certification given preferential treatment in selection process.

2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc:

Yes, the Company is committed to control the emissions and keeps it well below the allowable limits. The Company emphasises on optimising the use of natural resources through Maharashtra Pollution Control Board/ Central Pollution Control Board of Industrial Associations and government authorities.

The Company as a continuous ongoing activity uses energy efficient machineries and processes at project sites optimising the use of natural resources on an ongoing basis. The details of such initiatives undertaken by the Company are provided in Annexure to the Directors Report on Conservation of Energy & Technology Absorption.

3. Does the Company identify and assess potential environmental risks?

Yes. Environmental aspect and impact assessment is done while installing various control equipment. Measures prescribed as per the environmental control parameters of air, water and solid waste are followed along with outsourcing testing procedure every six monthly.

Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

At present, the Company does not have any project related to Clean Development Mechanism

4. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Yes, below mentioned are the details of few initiatives undertaken by the Company: -

- i. Solar equipment will be installed.
- ii. Tree plantation is undertaken in open premises to maintain clean, green and hygienic environment in surrounding areas.

## Annexure H to the Directors' Report (Contd.)

- iii. Atomisation with eco-friendly equipment installed by replacing of old equipment to enable resource efficient and sustainable manufacturing leading to increase in productivity and reduction in the energy consumption, waste generation, etc.
5. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?  
Yes. In FY 2021-22, the emissions, solid waste and effluents generated were within the limits as prescribed by CPCB or SPCB. Environmental monitoring is done once in a six month by the Company with respect to the following:-
  - i. Noise Monitoring
  - ii. Ambient Air Monitoring
  - iii. Workplace Noise
  - iv. DG Set Stack monitoring
  - v. Soil Testing
  - vi. Waste water treatment report
6. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year:  
Nil

### **Principle 7: Advocacy**

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with.  
Yes, the Company is a member of the following key associations:
  - i. Industrial Association (IAK)- Khopoli,
  - ii. Mumbai Waste Management-Taloja,
  - iii. Maharashtra Pollution Control Board
  - iv. CETP PRIA – Patalganga
2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas ( drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)  
Yes, the Company has advocated on Inclusive Development Policies through associations to maintain good relations with NGO, associates, Local leaders and surrounding villagers including gram panchayat.

### **Principle 8: Inclusive Growth & Equitable Development**

1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.  
Yes, the Company undertakes the initiatives through the CSR committee of the Board as per the CSR policy of the Company. The Company has a dedicated CSR Committee, which evaluates monitors and supervises the CSR activities. The details can be found in Annexure to the Directors Report.
2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organisation?  
The aforesaid projects have been carried out by the Company directly and/or through implementing agencies. The details can be found in Annexure to the Directors Report.
3. Have you done any impact assessment of your initiative?:  
No

## Annexure H to the Directors' Report (Contd.)

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

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

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

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

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

### **PRINCIPLE 9: CUSTOMER VALUE**

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

Nil

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)

No. The Company follows all legal statues with respect to product labeling and displaying of product information

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

There are no such cases filed by any stakeholder.

4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

No

# Notice



## **KOPRAN LIMITED**

CIN: L24230 MH1958PLC 011078

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

Website: [www.kopran.com](http://www.kopran.com), Email: [investors@kopran.com](mailto:investors@kopran.com),

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

### **NOTICE OF 63<sup>RD</sup> ANNUAL GENERAL MEETING OF KOPRAN LIMITED**

Notice is hereby given that the 63<sup>rd</sup> Annual General Meeting of the members of Kopran Limited will be held on Monday, August 29, 2022 at 11.30 a.m. (IST) to transact the following business:

#### **ORDINARY BUSINESS**

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

To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2022 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, 2022 together with the Reports of the Auditors thereon.

##### **Item No.3: To Declare Final dividend on Equity Shares**

The Board of Directors has recommended a dividend of ₹ 3 (30%) per equity share of ₹ 10 for the FY 2021-22.

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

To appoint a Director in place of Mr. Adarsh Somani (DIN 00192609) who retires by rotation in terms of section 152(6) of the Companies Act, 2013 and being eligible, offers himself for re-appointment.

##### **Item no. 5: Re-appointment of Statutory Auditor**

To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to Section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof) and based on the recommendations of the Audit Committee and the Board of Directors of the Company, M/s. Khandelwal Jain & Co., Chartered Accountants, having registration No. 105049W be and are hereby re-appointed as the Statutory Auditors of the Company for second term of five consecutive years, who shall hold office from the conclusion of this 63<sup>rd</sup> Annual General Meeting till the conclusion of the 68<sup>th</sup> Annual General Meeting to be held in the year 2027, on such remuneration as may be decided by the Board of Directors in consultation with the Statutory Auditors of the Company.”

#### **SPECIAL BUSINESS**

##### **Item No.6: Re-appointment of Mr. Surendra Somani (DIN 00600860) as the Executive Vice Chairman of the Company**

To consider and if thought fit, to pass the following Resolution as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') (including any statutory modification or re-enactment thereof for the time being in force), read with Schedule V to the Act, the relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, the Company hereby approves the re-appointment of Mr. Surendra Somani (DIN 00600860), who shall attain age of 70 years during his term of re-appointment, as Managing Director not liable to retire by rotation designated as Executive Vice Chairman of the Company for a period of three years with effect from January 1, 2023 to December 31, 2025 upon the principal terms and conditions set out in the Explanatory Statement annexed hereto at remuneration of ₹ 2,50,00,000/- p.a. CTC (Two Crs Fifty Lacs per annum Cost to Company) including the remuneration to be paid in the event of inadequacy of profits in any

## Notice (Contd.)

financial year, with liberty to the Board of Directors or any committees thereof of the Company to alter and vary without further reference to the members the terms and conditions of the said appointment including the said remuneration in such manner as may be agreed between the Board of Directors or any committees thereof and Mr. Surendra Somani."

**By order of the Board of Directors  
For Kopran Limited**

**Sunil Sodhani**

Company Secretary & Compliance Officer  
FCS No: 3897

Place: Mumbai

Date: May 27, 2022

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## Annexure to Notice

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

#### **Item No. 6:**

The Board of Directors of your Company at its meeting held on May 27, 2022 has re-appointed Mr. Surendra Somani (DIN 00600860) as Managing Director designated as Executive Vice Chairman of the Company, not liable to retire by rotation, for a period of three years with effect from January 1, 2023 to December 31, 2025, on the basis of recommendation received from the Nomination and Remuneration Committee in its meeting held on May 27, 2022. The Board unanimously approved re-appointment resolution subject to approval by member's in ensuing 63<sup>rd</sup> Annual General Meeting as per the provisions of Section 196, 197, Schedule V and other applicable provision under the Companies Act, 2013.

Mr. Surendra Somani has rich and varied experience in the Industry and has been involved in the operations of the Company/ Kopran Limited for over four decades. The Company has achieved continuous progress under his leadership, management and guidance and his continued services will be beneficial to the Company in the long run.

Mr. Surendra Somani would be attaining age of 70 years during his term of re-appointment and hence pursuant to the provisions of Section 196(3)(a) of the Act read with Schedule V, Part I of the Act, continuation of his employment as an Executive Director requires approval of members by way of a Special Resolution.

The Board, while re-appointing Mr. Surendra Somani as the Executive Vice Chairman of the Company, considered his background, experience and contributions to the Company.

The resolution seeks the approval of members for the re-appointment of Mr. Surendra Somani as Executive Vice Chairman of the Company for a period of three Consecutive years. He will not be liable to retire by rotation.

No director, Key managerial personnel or their relatives are interested or concerned in the resolution except Mr. Surendra Somani & Mr. Varun Somani.

The Board recommends the Special Resolution set forth in item no. 6 for the approval of the members.

## Notice (Contd.)

**DETAILS OF DIRECTOR PROPOSED TO BE RE-APPOINTED AT THE ANNUAL GENERAL MEETING SCHEDULED TO BE HELD ON AUGUST 29, 2022 [PURSUANT TO REGULATION 36(3) OF THE SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AS AMENDED.]**

### Annexure A:

<b>Name of Director</b>	<b>Mr. Adarsh Somani</b>	<b>Mr. Surendra Somani</b>
<b>DIN</b>	00192609	00600860
<b>Date of Birth/Age</b>	April 20, 1974 (49 years)	October 21, 1954 (68 years)
<b>Brief Resume</b>	Mr. Adarsh Somani has over 23 years of indispensable experience in the FMCG, Marketing and Real estate sectors. One of the pioneers in developing awareness of qualitative health products in India.	Mr. Surendra Somani aged 68 years, is a Commerce Graduate from Mumbai University with around 4 decades of rich experience and knowledge of the Pharmaceutical Industry. His core strength includes Corporate Strategy, Finance, Business Development, and Regulatory Affairs. He looks after the overall management of the Company since 1981.  Mr. Surendra Somani belongs to the promoter group.
<b>Date of First Appointment</b>	May 29, 2018	June 11, 1997
<b>Job profile, suitability &amp; Terms and conditions of re-appointment</b>	Non-Executive Director (Promoter). He is entitled only to receive sitting fees for Board and Committee Meetings.	Substantial power of management, including but not limited to administration, finance, marketing and sales, purchase, production, quality control under the overall superintendence and direction of the Board. Appointment is for a period of three years with effect from January 1, 2023. His tenure as Executive Vice Chairman will expire on December 31, 2025.
<b>Shareholding in the Company</b>		
a) On own	1,81,250	5,03,075
b) For other persons on a beneficial basis	-	-
<b>Past Remuneration drawn from the Company</b>	Not Applicable	₹ 1,48,50,000 per annum
<b>Remuneration sought to be paid</b>	Not Applicable	₹ 2,50,00,000 per annum Cost to Company (CTC)
<b>No. of Board Meetings attended during the FY 2021-22</b>	5 out of 5 held	5 out of 5 held
<b>Relationship with the other Directors, Manager and Other Key Managerial Personnel of the Company</b>	None	Father of Mr. Varun Somani, Director.
<b>List of other Listed Companies in which Directorship is held</b>	<ul style="list-style-type: none"> <li>• Sarvamangal Mercantile Co. Limited</li> <li>• Oricon Enterprises Limited</li> </ul>	-



## Notice (Contd.)

Name of Director	Mr. Adarsh Somani	Mr. Surendra Somani
<b>Membership of the Committee(s) of Board</b>	<ul style="list-style-type: none"> <li>• <b>Sarvamangal Mercantile Company Limited</b> Audit Committee Nomination and Remuneration Committee</li> <li>• <b>Oricon Enterprises Limited</b> Corporate Social Responsibility Committee</li> <li>• <b>Kopran Laboratories Limited</b> Corporate Social Responsibility Committee</li> </ul>	-
<b>Listed entities from which the person has resigned in the past three years</b>	<b>None</b>	<b>None</b>

### Annexure B:

Additional Disclosure required for re-appointment of Mr. Surendra Somani (DIN 00600860) under Schedule V of the Companies Act, 2013:

#### A) General Information :

- Nature of the Industry & commercial operation: The Company is in Pharmaceutical industry & manufactures API & Formulations.
- Financial Performance based on given indicators.

Particulars	(₹ in Lacs)		
	Year Ended March 31, 2022	Year Ended March 31, 2021	Year Ended March 31, 2020
Sales	20,452.04	22,283.31	17,929.08
PBDIT	2,344.00	4,061.47	2,516.66
Net Profit	1,174.43	2,347.23	1,121.98

- Foreign investments and collaborations: Foreign Investment in wholly owned subsidiary Kopran (H.K.) Limited, Hong Kong ₹ 100.06 Lacs.

#### B) Information About Appointee:

Recognition or awards	-
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The salary is commensurate to the Pharma industry.

## Notice (Contd.)

### C) Other Information.

Reason of loss or inadequate profits	Company has considerably improved its financial & operational performance on consolidated basis over the last few years.
Steps taken or proposed to be taken for improvements	Detailed note is available in the Directors Report and Management Discussion and Analysis. The Company has undertaken Capacity expansion in the wholly owned subsidiary Company that would result in increased turnover on consolidated basis in the coming period.
Expected increase in productivity and profits in measurable terms	The management is having a positive view on Company's performance on the steps taken to explore sales at different geographical locations is yielding results and the Company is in capacity expansion mode.

The Board recommends the Special Resolution as set out at Item no. 6 of the Notice for approval of the Members.

None of the Directors and Key Managerial Personnel of the Company and/or their relatives, except Mr. Surendra Somani being appointee and Mr. Varun Somani, son of Mr. Surendra Somani is concerned or interested, financially or otherwise, in the resolution as set out at Item no. 6 of the Notice.

**By order of the Board of Directors**

**For Kopran Limited**

**Sunil Sodhani**

Company Secretary & Compliance Officer

FCS No: 3897

Place: Mumbai

Date: May 27, 2022

## Notice (Contd.)

### NOTES:

1. PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC/OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE, THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO THIS NOTICE.
2. Members holding physical shares desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, are requested to fill up the form no.SH-13 available on Company's website and submit the same to Registrar and Transfer Agent of the Company. Nomination for Demat Account holders can only be done through their Depository Participant (DP).
3. The Company's Register of Members and Share Transfer Books shall be closed from **Monday, August 8, 2022 to Wednesday, August 10, 2022** (both days inclusive)
4. The Notice of the AGM along with Annual Reports FY 2021-22 is being sent by electronic mode to those members whose E-mail addresses are registered with the Depositories/Company.
5. To support the 'green initiative', the members who have not registered their E-mail addresses are requested to register the same with their depositories
6. M/s. P.P. Singh & Co, Practicing Company Secretary (Membership No. A33381, COP No. 15570) has been appointed as the Scrutiniser to scrutinise the e-voting process.
7. The results declared along with the Scrutiniser's Report shall be placed on the Company's website [www.kopran.com](http://www.kopran.com) and on the website of NSDL within 48 hours of the passing of the resolutions at the 63<sup>rd</sup> AGM of the Company on August 29, 2022 and communicated to the BSE & NSE, where the shares of the Company are listed.
8. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 5, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
9. Pursuant to the Circular No. 14/2020 dated April 8, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
10. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
11. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
12. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 8, 2020, April 13, 2020 and May 5, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.

## Notice (Contd.)

13. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.kopran.com](http://www.kopran.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
14. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 5, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.

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

**The remote e-voting period begins on Friday August 26, 2022 at 09:00 A.M. and ends on Sunday August 28, 2022 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. August 22, 2022 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being August 22, 2022.**

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

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

#### **STEP 1: ACCESS TO NSDL E-VOTING SYSTEM**





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

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

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

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

## Notice (Contd.)

Type of shareholders	Login Method
	<p>NSDL Depository site wherein you can see e-Voting page. Click on Company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>4. Shareholders/Members can also download NSDL Mobile App "<b>NSDL Speede</b>" facility by scanning the QR code mentioned below for seamless voting experience.</p> <p style="text-align: center;"><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: center; align-items: center;"> <div style="margin-right: 20px;">  </div> <div>  </div> </div> <div style="display: flex; justify-content: center; align-items: center; margin-top: 10px;"> <div style="margin-right: 40px;">  </div> <div>  </div> </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

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

# Notice (Contd.)

## **HELPDESK FOR INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE FOR ANY TECHNICAL ISSUES RELATED TO LOGIN THROUGH DEPOSITORY I.E. NSDL AND CDSL.**

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

### **B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

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

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

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

4. Your User ID details are given below:

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

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

## Notice (Contd.)

- (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
    - a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
    - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
  7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
  8. Now, you will have to click on "Login" button.
  9. After you click on the "Login" button, Home page of e-Voting will open.

### **STEP 2: CAST YOUR VOTE ELECTRONICALLY AND JOIN GENERAL MEETING ON NSDL E-VOTING SYSTEM.**

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

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

#### **GENERAL GUIDELINES FOR SHAREHOLDERS**

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

## Notice (Contd.)

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

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

### **THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join meeting"** menu against Company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at (investors@kopran.com). The same will be replied by the Company suitably.
6. **Members can mail their questions on Annual Report FY 2021-22 from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at investors@kopran.com 48 hours in advance of the meeting time. The same will be addressed at the AGM.**



# Independent Auditor's Report

TO THE MEMBERS OF **KOPRAN LIMITED**

## REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

### Opinion

We have audited the standalone financial statements of Kopran Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit (including other comprehensive income), its cash flows and changes in equity for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

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

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

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

# Independent Auditor's Report (Contd.)

Sr. No.	Key audit matter description	How the scope of our audit addressed the key audit matter
	<p>Due to the level of judgement relating to recognition, valuation and presentation of provision and contingent liabilities, this is considered to be a key audit matter.</p>	<ul style="list-style-type: none"> <li>● legal advises / opinions obtained by the management, if any, from experts in the field of law on the legal cases;</li> <li>● status of each of the material matters as on the date of the balance sheet.</li> </ul> <p>We have assessed the appropriateness of provisioning based on assumptions made by the management and the disclosure and presentation of the significant contingent liabilities in the financial statements.</p>
<b>2</b>	<p><b>Valuation of inventory:</b></p> <p>Inventory comprises of Raw Materials, Finished Goods, Stock in process and Stores and Spares. There is an inherent risk around the accuracy of the valuation of the closing stocks.</p> <p>Inventories are valued at lower of cost and net realisable value. These involve significant management judgement to determine the obsolete or slow moving items of inventory and to evaluate the realisable values. Further, Amoxicillin Trihydrate is the main raw material for the Company, which is partly imported, and is subject to high price fluctuation risk as well as foreign currency risk.</p> <p>The volatility in the prices of Amoxicillin Trihydrate may significantly impact the valuation of not only Raw material but also other items of inventory.</p> <p>In determining the net realisable value, the management uses data of sales of finished good available which is a management estimate.</p> <p>We have considered this as a key audit matter due to the significance in the amount of inventory and volatility in the prices of Amoxicillin Trihydrate.</p>	<p>We have reviewed the stock records and held discussions with the management with regard to determination of slow moving and obsolete items and valuation of realisable values of such items. We verified arithmetical accuracy of valuation records / reports.</p> <p>For a sample of inventory items we have verified that the First in First out (FIFO) Method for valuation in case of inventory is appropriate.</p> <p>We have reviewed the price movement of Amoxicillin Trihydrate with respect to cost to the Company.</p> <p>Compared such prices with the recent selling prices. Compared the value of Finished Goods with the last selling prices of the respective product to determine the basis of valuation adopted.</p>
<b>3</b>	<p><b>Allowance of trade receivables/ Credit Losses:</b></p> <p>The Trade receivables forms a significant part of the Group's total assets. The estimated allowance of trade receivables / credit losses 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. 49(b) of the standalone financial statements, the management reviews and assesses the recoverability of the carrying value of all overdue trade receivables individually by considering the credit history including default or delay in payments, settlement records and subsequent settlements.</p> <p>The Company also considers other related information including credit reports to estimate the probability of default in future.</p> <p>Allowance for doubtful debts 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 / credit losses included:</p> <ul style="list-style-type: none"> <li>● Understanding how allowance for doubtful debts is estimated by the management;</li> <li>● Testing the subsequent settlements of trade receivables, on a sample basis, to the source documents including bank statements and bank-in slips/ remittance advices.</li> <li>● 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.</li> <li>● Computation of the allowance for expected credit losses.</li> </ul>

# Independent Auditor's Report (Contd.)

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

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report. Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the annual report, if, based on the work we have performed, we conclude that there is a material misstatement therein, we are required to report that fact and communicate the matter to those charged with governance.

## **Responsibilities of Management for the Standalone Financial Statements**

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors.

## Independent Auditor's Report (Contd.)

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

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

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

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

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2(A) As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the Directors as on March 31, 2022 and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2022 from being appointed as a Director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this Report. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting, of the Company.
  - g) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of section 197(16) of the Act as amended:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act.

## Independent Auditor's Report (Contd.)

- h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company has disclosed the impact of pending litigations as at March 31, 2022 on its financial position in its standalone financial statements - Refer Note 33(a) to the standalone financial statements;
  - ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 46(a) to the standalone financial statements;
  - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company - Refer Note 46(b) to the standalone financial statements.
  - iv)
    - a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, 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 kind of funds) by the Company to or in any other person or entity, including foreign entities (Intermediaries), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, 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 entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, that the Company shall, 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 (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
  - v) As stated in Note No. 54 to the standalone financial statements
    - a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.
    - b) The interim dividend declared and paid by the Company during the previous year is in compliance with Section 123 of the Act.
    - c) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

**For Khandelwal Jain & Co.,**

Chartered Accountants,  
Firm Registration No.: 105049W

**(S. S. Shah)**

Partner  
Membership No.: 033632  
UDIN: 22033632AJSXXM9932

Place : Mumbai

Date : May 27, 2022

## Annexure "A" to the Independent Auditors' Report

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of Kopran Limited on the standalone financial statements for the year ended March 31, 2022)**

To the best of our information and 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) In respect of the Property, Plant and Equipment and intangible assets of the Company:-
  - (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
  - (B) The Company has maintained proper records showing full particulars of Intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
- (d) The Company has not revalued any of its Property, Plant and Equipment and Intangible assets during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and Rules made thereunder.
- ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and the coverage as followed by management were appropriate. No discrepancies were noticed on such verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventories.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five Crs rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the differences between the quarterly returns or statements (comprising stock statements, book debt statements and other stipulated financial information) filed by the Company with such banks or financial institutions and the unaudited books of account of the Company of the respective quarters were not material (Refer Note No. 57(xi) of the standalone financial statements)
- iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made investments in, provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, in respect of which:
  - (a) (A) The Company has made investment in, granted loans and has also given guarantee to Banks for its subsidiaries.

<b>Particulars</b>	<b>Amount (₹ in Lacs)</b>
<b><u>Loan to Subsidiary: Kopran Research Laboratories Limited</u></b>	
Loans given during the year	15,537.65
Balance as at the year end (converted in credit balance of ₹ 7,86,19,801)	NIL
Maximum amount outstanding at any time during the year	11,739.83
<b><u>Corporate guarantee given</u></b>	
For loans sanctioned to Kopran Research Laboratories Limited as at the year end	6,425.00
<b><u>Investment in shares of the subsidiary company during the year</u></b>	
Kopran Research Laboratories Limited (49,59,999 shares)	10,000.00
<b><u>Investments in subsidiaries outstanding as at March 31, 2022</u></b>	
Kopran (H.K.) Limited, Hong Kong	100.06
Kopran Lifesciences Limited	5.00
Kopran Research Laboratories Limited.	25,831.76

## Annexure "A" to the Independent Auditors' Report (Contd.)

- (B) Based on the audit procedures carried out by us and as per the information and explanations given to us, the Company has not granted loans to any party other than subsidiaries.
- (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, and the terms and conditions of the loans given and guarantees provided are, prima facie, not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, the repayment of principal has not been stipulated as they are repayable on demand and payment of interest has been stipulated which have been regular.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan given falling due during the year, which has been renewed or extended or fresh loans given to settle the overdues of existing loans given to the same party.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has granted Loans which are either repayable on demand or without specifying any terms or period of repayment as stated below:-

<b>Particulars</b>	<b>Aggregate amount of Loans granted during the year (₹ in Lacs)</b>	<b>Percentage of the aggregate to the total loans or advances in the nature of loans granted during the year</b>
Subsidiaries	15,537.65	100%

- iv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 and the Company has not provided any security as specified under Section 186 of the Companies Act, 2013. Further, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in relation to loans and guarantee given and investments made.
- v) According to the information and explanations given to us, the Company has not accepted any deposits during the year from the public within the meaning of section 73 to 76 of the Act and rules framed thereunder. Accordingly, clause 3(v) of the Order is not applicable.
- vi) The maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act in respect of the Company's products. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii) (a) According to the information and explanations given to us and records examined by us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service tax, duty of customs, Cess, and any other material statutory dues, as applicable to it, with the appropriate authorities.
- (b) According to information and explanations given to us, there were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Goods and Service Tax, duty of Customs, Cess, and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

## Annexure "A" to the Independent Auditors' Report (Contd.)

- (c) According to the information and explanations given to us and the records of the Company, the dues of Income tax, Sales tax, Service tax, Goods and Service tax, duty of Customs, duty of Excise, Value added tax, which have not been deposited on account of any dispute, amount involved and the forum where dispute is pending, are as under:

(₹ in Lacs)

Name of the Statute	Nature of Dues	Amount Involved	Period to which amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty	0.44	FY 2014-15	Commissioner of Central Excise
Service Tax Act Chapter V of the Finance Act, 1994	Service Tax	32.95	FY 2001-02	High Court, Mumbai
		475.00	FY 2006-07	High Court, Mumbai
Drug Price Control Order-95 (DPCO - 95)	Difference in Pricing	591.34	FY 2002-03	High Court, Mumbai
MVAT Act, 1956	MVAT	17.85	FY 2017-18	Deputy commissioner of state tax
Income Tax Act, 1961	Income Tax	206.32	FY 2016-17	Commissioner of Income Tax (Appeals)
		1.24	FY 2017-18	

- viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.
- ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or other borrowings or in payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us, the Company has utilised the money obtained by way of term loans during the year for the purposes for which they were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(e) of the Order is not applicable.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.
- x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) The Company has made preferential allotment of equity shares during the year and has complied with the requirements of section 62 of the Companies Act, 2013. The Company has partly utilised the funds for the purposes for which the funds were raised and pending the utilisation of balance unutilised funds, the same are lying in fixed



## Annexure "A" to the Independent Auditors' Report (Contd.)

deposits / balance with scheduled commercial banks as interim use of fund. The Company has not made any private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.

(₹ In Lacs)

Nature of Securities viz. Equity shares / Preference Shares / Convertible Debentures	Purpose for which funds were raised	Total Amount Raised / Opening Unutilised balance	Amount Utilised for the other purpose	Unutilised balance as at balance sheet date	Remark, if any
Equity shares	The Company and its subsidiary plans to grow their business by expanding capacities through organic / inorganic routes. The Company and its subsidiary are developing new products to grow their product portfolio and are also enhancing capacities through expansion/ acquisition to meet their growth plans. The Capital raised by the Company shall be utilised to augment existing manufacturing capacities and to meet increasing working capital requirements owing to growth in business.	12,648	-	5126.41	Refer Note '53' of the standalone financial statements for the FY 2021-22.

- x) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.
- xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

## Annexure "A" to the Independent Auditors' Report (Contd.)

- (d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, 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 that the 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. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

**For Khandelwal Jain & Co.,**

Chartered Accountants,  
Firm Registration No.: 105049W

**(S. S. Shah)**

Partner  
Membership No.: 033632  
UDIN: 22033632AJSXXM9932

Place : Mumbai  
Date : May 27, 2022

## Annexure "B" to the Independent Auditors' Report

(Referred to in paragraph 2A(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of Kopran Limited on the standalone financial statements for the year ended March 31, 2022)

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

We have audited the internal financial controls over financial reporting of **KOPRAN LIMITED** ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditor's Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

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

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

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

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

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2022, based on the criteria for internal control over financial reporting established by the Company considering the essential components of internal controls stated in the Guidance Note issued by ICAI.

### **For Khandelwal Jain & Co.,**

Chartered Accountants,  
Firm Registration No.: 105049W

### **(S. S. Shah)**

Partner  
Membership No.: 033632  
UDIN: 22033632AJSXXM9932

Place : Mumbai  
Date : May 27, 2022

# Standalone Balance Sheet

as at March 31, 2022

Particulars	Note No.	(₹ in Lacs)	
		As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>1. Non - current assets</b>			
Property, Plant and Equipment	4	4,404.68	4,460.25
Capital work-in-progress		-	-
Other Intangible assets	5	217.60	284.07
Intangible assets under development		309.68	282.13
<b>Financial assets</b>			
Investments	6	25,942.74	15,878.82
Others	7	292.47	291.30
Other non - current assets	8	113.79	87.23
<b>Total non - current assets</b>		<b>31,280.96</b>	<b>21,283.80</b>
<b>2. Current assets</b>			
Inventories	9	4,151.25	2,750.26
<b>Financial assets</b>			
Trade receivables	10	5,913.19	4,946.35
Cash and cash equivalents	11	25.13	32.44
Bank balances other than cash and cash equivalents above	12	230.06	289.96
Loans	13	48.92	36.19
Other financial assets	14	49.94	209.07
Current tax assets (net)		23.86	38.04
Other current assets	15	4,688.79	2,809.26
<b>Total current assets</b>		<b>15,131.14</b>	<b>11,111.57</b>
<b>Total Assets</b>		<b>46,412.10</b>	<b>32,395.37</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	4,821.06	4,325.16
Other equity	17	33,051.35	20,359.82
<b>Total Equity</b>		<b>37,872.41</b>	<b>24,684.98</b>
<b>LIABILITIES</b>			
<b>1. Non - current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	18	207.50	235.92
Provisions	19	403.41	386.04
Deferred tax liabilities (net)	20	303.36	231.44
<b>Total non - current liabilities</b>		<b>914.27</b>	<b>853.40</b>
<b>2. Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	21	3,474.34	1,325.69
Trade payables			
a) total outstanding dues of micro enterprises and small enterprises	22	72.32	22.75
b) total outstanding dues of creditors other than micro enterprises and small enterprises	22	2,906.87	3,973.26
Other financial liabilities	23	926.17	1,204.11
Other current liabilities	24	168.95	267.48
Provisions	25	76.77	63.70
<b>Total current liabilities</b>		<b>7,625.42</b>	<b>6,856.99</b>
<b>Total Equity and Liabilities</b>		<b>46,412.10</b>	<b>32,395.37</b>
<b>Corporate Information</b>	1		
<b>Significant Accounting Policies</b>	2		
<b>Notes forming part of the Standalone Financial Statements</b>	3 to 58		

As per our report of even date

For and on behalf of the Board of Directors

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

**SURENDRA SOMANI**  
Executive Vice Chairman  
DIN: 00600860

**SUSHEEL SOMANI**  
Director  
DIN: 00601727

**S. S. SHAH**  
Partner  
Membership No: - 033632

**B. K. SONI**  
Chief Financial Officer

**SUNIL SODHANI**  
Company Secretary

Place: Mumbai  
Date : May 27, 2022

# Standalone Statement of Profit and Loss

for the Year Ended March 31, 2022

(₹ in Lacs)

Particulars	Note No.	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>INCOME</b>			
Revenue from operations	26	20,452.04	22,283.31
Other income	27	802.68	1,041.36
<b>Total Income</b>		<b>21,254.72</b>	<b>23,324.67</b>
<b>EXPENSES</b>			
Cost of materials consumed	28	12,852.20	10,516.20
Purchases of stock-in-trade		323.26	1,787.88
Changes in inventories of finished goods, stock-in-trade and work-in-progress	29	(392.79)	1,470.29
Employee benefits expense	30	2,105.45	1,833.87
Finance costs	31	295.29	380.67
Depreciation and amortisation expense	4 & 5	432.28	410.28
Other expenses	32	4,022.60	3,654.96
<b>Total Expenses</b>		<b>19,638.29</b>	<b>20,054.15</b>
<b>Profit before exceptional items and tax</b>		<b>1,616.43</b>	<b>3,270.52</b>
Exceptional items (net)		-	-
<b>Profit before tax</b>		<b>1,616.43</b>	<b>3,270.52</b>
<b>Tax Expense</b>	44		
(1) Current Tax		374.69	575.68
(2) Deferred Tax		67.31	347.61
<b>Total tax expense</b>		<b>442.00</b>	<b>923.29</b>
Profit for the Year		1,174.43	2,347.23
<b>Other Comprehensive Income (OCI)</b>			
<b>(i) Items that will not be reclassified subsequently to profit or loss</b>			
a) Net changes in Fair value of investments in equity shares carried at fair value through OCI [(expenses) / income]		1.68	2.22
Income tax effect on Net changes in Fair value of investments in equity shares carried at fair value through OCI [credit / (charge)]		(0.33)	(0.42)
b) Remeasurement of defined employee benefit plans [(expenses) / write back]		16.68	23.92
Income tax effect on Remeasurement of defined employee benefit plans [(charge) / credit]		(4.28)	(6.97)
ii) a) Items that will be reclassified subsequently to profit or loss		-	-
b) Income tax relating to items that will be reclassified subsequently to profit or loss		-	-
<b>Total Other Comprehensive Income for the year</b>		<b>13.75</b>	<b>18.75</b>
<b>Total Comprehensive Income for the year</b>		<b>1,188.18</b>	<b>2,365.98</b>
<b>Earnings per equity share (₹)</b>			
Basic and Diluted-Par value of ₹ 10/- per share	34	2.65	5.43
<b>Corporate Information</b>			
<b>Significant Accounting Policies</b>	2		
<b>Notes forming part of the Standalone Financial Statements</b>	3 to 58		

As per our report of even date

For and on behalf of the Board of Directors

**For Khandelwal Jain & Co**

Chartered Accountants  
Firm Registration No: - 105049W

**SURENDRA SOMANI**  
Executive Vice Chairman  
DIN: 00600860

**SUSHEEL SOMANI**  
Director  
DIN: 00601727

**S. S. SHAH**

Partner  
Membership No: - 033632

**B. K. SONI**  
Chief Financial Officer

**SUNIL SODHANI**  
Company Secretary

Place: Mumbai  
Date: May 27, 2022

# Standalone Statement of Changes in Equity

for the Year Ended March 31, 2022

## A. EQUITY SHARE CAPITAL

Particulars	Amount (₹ in Lacs)
<b>As at March 31, 2020</b>	<b>4,324.89</b>
Changes in Equity Share Capital due to prior period errors	-
<b>Restated balance at the beginning of the current reporting period</b>	<b>4,324.89</b>
Changes in equity share capital during the year	
Add: Calls in arrears	0.37
Less: Forfeited Equity Shares	(0.20)
<b>As at March 31, 2021</b>	
Fully paid up equity share capital	4,325.06
Forfeited Equity Shares paid up value	0.10
<b>Total Equity Share Capital</b>	<b>4,325.16</b>
Changes in Equity Share Capital due to prior period errors	-
<b>Restated balance at the beginning of the Previous reporting period</b>	<b>4,325.16</b>
Changes in equity share capital during the year	
Add: Equity shares issued	496.00
Less: Forfeited Equity Shares paid up value*	(0.10)
<b>As at March 31, 2022</b>	<b>4,821.06</b>

## B) OTHER EQUITY

Particulars	Reserve and Surplus				Other Comprehensive Income			Total
	Capital Reserve	General Reserve	Securities Premium	Export allowance reserve	Retained Earnings	Equity Instruments through OCI	Remeasurements of net defined benefit plans	
<b>As at March 31, 2020</b>	<b>1,484.74</b>	<b>814.21</b>	<b>12,256.20</b>	<b>0.40</b>	<b>4,016.97</b>	<b>(0.18)</b>	<b>70.08</b>	<b>18,642.42</b>
Profit for the year	-	-	-	-	2,347.23	-	-	2,347.23
Dividend Paid**	-	-	-	-	(648.77)	-	-	(648.77)
Securities Premium Received	-	-	0.17	-	-	-	-	0.17
Other comprehensive income for the year	-	-	-	-	-	1.81	16.96	18.77
<b>As at March 31, 2021</b>	<b>1,484.74</b>	<b>814.21</b>	<b>12,256.37</b>	<b>0.40</b>	<b>5,715.43</b>	<b>1.63</b>	<b>87.04</b>	<b>20,359.82</b>
Profit for the year	-	-	-	-	1,174.43	-	-	1,174.43
Securities Premium Received	0.10	-	12,152.00	-	-	-	-	12,152.00
Forfeited Equity Shares paid up value*	-	-	-	-	-	-	-	-
Dividend Paid**	-	-	-	-	(648.76)	-	-	(648.76)
Realised Gain/Loss on Equity FVTOCI transferred to Retained Earnings	-	-	-	-	0.22	(0.22)	-	-
Other comprehensive income for the year	-	-	-	-	-	1.35	12.41	13.76
<b>As at March 31, 2022</b>	<b>1,484.84</b>	<b>814.21</b>	<b>24,408.37</b>	<b>0.40</b>	<b>6,241.32</b>	<b>2.76</b>	<b>99.45</b>	<b>33,051.35</b>

\* Refer Note No. 16(i)

\*\* Refer Note No. 54

# Standalone Statement of Changes in Equity

for the Year Ended March 31, 2022

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

**a) Capital Reserve:**

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

**b) General Reserve:**

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

**c) Securities Premium:**

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

**d) Retained Earnings:**

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

**e) Equity Instruments through OCI:**

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

**Corporate Information**

**1**

**Significant Accounting Policies**

**2**

**Notes forming part of the Standalone Financial Statements**

**3 to 58**

As per our report of even date

For and on behalf of the Board of Directors

**For Khandelwal Jain & Co**

Chartered Accountants

Firm Registration No: - 105049W

**SURENDRA SOMANI**

Executive Vice Chairman

DIN: 00600860

**SUSHEEL SOMANI**

Director

DIN: 00601727

**S. S. SHAH**

Partner

Membership No: - 033632

**B. K. SONI**

Chief Financial Officer

**SUNIL SODHANI**

Company Secretary

Place: Mumbai

Date : May 27, 2022



# Standalone Statement of Cash Flows

for the Year Ended March 31, 2022

(₹ in Lacs)

Particulars		As at March 31, 2022	As at March 31, 2021
<b>Cash flows from operating activities</b>			
Net Profit before tax		1,616.43	3,270.52
<b>Adjustments for:</b>			
Depreciation and Amortisation Expense		432.28	410.28
Dividend income		(0.07)	-
Finance cost		295.29	380.67
Interest income		(139.93)	(12.95)
Loss on sale of Fixed Assets		1.23	-
Loss on sale of Shares		0.22	-
Unrealised foreign exchange (gain) / loss (net)		(72.75)	(112.67)
Provision / write off for expected credit loss / trade receivables / advances (net)		31.16	139.20
Liabilities written back (net)		(68.19)	(4.26)
Financial guarantee Income		(62.50)	(62.50)
<b>Operating profit before working capital changes</b>		<b>2,033.17</b>	<b>4,008.29</b>
(Increase) / Decrease in inventories		(1,400.98)	1,366.85
(Increase) in trade receivables		(858.51)	(682.93)
(Increase)/Decrease in loans receivables		(13.90)	34.63
(Increase) in other current / non-current assets		(1,889.58)	(84.27)
(Decrease)/Increase in trade payables		(1,000.21)	858.18
Increase in provision for retirement benefits		47.12	19.02
(Decrease) in other financial liabilities		(239.27)	(150.63)
(Decrease) / Increase in other current liabilities		(98.53)	48.95
<b>Cash generated from operations</b>		<b>(3,420.69)</b>	<b>5,418.09</b>
Direct taxes paid (Net of refunds)		(360.52)	(541.33)
<b>Net cash flow from operating activities</b>	<b>(A)</b>	<b>(3,781.21)</b>	<b>4,876.76</b>
<b>Cash flows (used in) / from investing activities</b>			
Purchase of fixed assets, including capital work-in-progress		(312.57)	(428.88)
Purchase of intangibles including Intangible assets under development		(27.54)	(5.99)
Proceeds from sale of fixed assets		1.10	-
Investment in Subsidiary		(10,000.00)	-
(Decrease)/Increase in Creditors for capital goods		(29.94)	4.05
Increase in Capital Advance		(16.51)	(33.74)
Proceeds from Sale of Shares		0.05	-
Bank Balances Other than Cash and Cash Equivalents above		59.89	(195.48)
Decrease / (increase) in other financial assets		159.14	(203.75)
Interest Income		139.93	12.95
Dividend Income		0.07	-
<b>Net cash flow (used in)/ from investing activities</b>	<b>(B)</b>	<b>(10,026.38)</b>	<b>(850.84)</b>

# Standalone Statement of Cash Flows

for the Year Ended March 31, 2022

(₹ in Lacs)

Particulars		As at March 31, 2022	As at March 31, 2021
<b>Cash flows (used in) / from financing activities</b>			
Repayment of long-term borrowings (Net)		1.99	(9.46)
Inter corporate deposits (Net)		(30.42)	(721.38)
Repayment of short-term borrowings (Net)		2,133.47	(1,323.01)
Current Maturities of Long term debts		(1.34)	(936.59)
Dividend Paid		(648.76)	(648.77)
Proceeds from Issue of Share Capital		12,648.00	-
Proceeds from conversion of partly paid -up shares to fully paid up shares		-	0.23
Interest accrued		(7.37)	5.57
Interest paid		(295.29)	(380.67)
<b>Net cash flow used in financing activities</b>	<b>(C)</b>	<b>13,800.28</b>	<b>(4,014.08)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(A+B+C)</b>	<b>(7.31)</b>	<b>11.84</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>32.44</b>	<b>20.59</b>
<b>Effect of exchange rate changes on Cash and cash equivalents</b>		<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at the end of the year (Refer Note No. 11)</b>		<b>25.13</b>	<b>32.44</b>
<b>Corporate Information</b>	<b>1</b>		
<b>Significant Accounting Policies</b>	<b>2</b>		
<b>Notes forming part of the Standalone Financial Statements</b>	<b>3 to 58</b>		

As per our report of even date

For and on behalf of the Board of Directors

**For Khandelwal Jain & Co**

Chartered Accountants  
Firm Registration No: - 105049W

**SURENDRA SOMANI**  
Executive Vice Chairman  
DIN: 00600860

**SUSHEEL SOMANI**  
Director  
DIN: 00601727

**S. S. SHAH**

Partner  
Membership No: - 033632

**B. K. SONI**  
Chief Financial Officer

**SUNIL SODHANI**  
Company Secretary

Place: Mumbai  
Date : May 27, 2022

# Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022

## 1 CORPORATE INFORMATION

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

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

The financial statements were authorised for issue by the board of directors on May 27, 2022.

## 2 SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation

#### Compliance with Ind AS

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

#### Historical Cost Convention

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

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

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

The Financial Statements are presented in Indian Rupees (which is the functional currency of the Company) in Lacs 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

# Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

The Company classifies all other liabilities as non-current.

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

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

## **2.3 Summary of significant accounting policies**

### **(a) Foreign currency translation**

#### **(i) Functional and presentation currency**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (₹), 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, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

# Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

The Company categorises 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) recognised as of April 1, 2016 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date.

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

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised 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 recognised 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'.

# Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

An item of PPE is de-recognised 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 recognised in the Statement of Profit and Loss when the asset is derecognised.

Expenditure directly relating to construction activity is capitalised. Indirect expenditure incurred during construction period is capitalised 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), amortisation has been provided for on Straight Line Method over the period of lease.

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

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

### **(e) Intangible assets**

For transition to Ind AS, the Company has elected to continue with the carrying value of intangible assets recognised as of April 1, 2016 (transition date) measured as per the Previous GAAP and use that carrying value as its deemed cost as on the transition date.

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

### **Computer software**

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

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

# Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

An intangible asset is derecognised 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 recognised in the Statement of Profit and Loss when the asset is derecognised.

## **Amortisation methods and periods**

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

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

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

## **(f) Impairment of non financial assets**

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

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

Impairment losses of continuing operations, including impairment on inventories, are recognised 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 recognised 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 recognised. The reversal is limited to the carrying amount of the asset.

## **(g) Leases**

### **(i) As a lessee**

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

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

### **(ii) As a lessor**

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

# Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

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

## **(h) Inventories**

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

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

## **(i) Revenue recognition**

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

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

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

## **(iii) Interest income**

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

## **(iv) Dividend income**

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

## **(j) Income Taxes**

### **(i) Current income tax**

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

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

### **(ii) Deferred tax**

Deferred income tax is recognised using the balance sheet approach. Deferred tax is recognised 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 recognised 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 utilised.



# Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

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 utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised 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 recognises 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 recognised 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 recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

##### **Subsequent measurement**

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

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

#### **(i) Debt instruments at amortised cost**

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

- the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### **(ii) Debt instrument at FVTOCI**

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

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

# Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

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

**(iii) Debt instrument at FVTPL**

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

**(iv) Equity instruments measured at FVTOCI**

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

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

**(v) Cash and Cash equivalents**

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

**Investments in subsidiaries, Associates and Joint Ventures**

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

**De-recognition**

A financial asset is de-recognised only when

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

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

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

**Impairment of financial assets**

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

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

**Financial liabilities**

**Classification as debt or equity**

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

# Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

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

## **Subsequent measurement**

Financial liabilities are subsequently measured at amortised 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 recognised 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 amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation 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 derecognised 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

# Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

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

# Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

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.

# Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

## **Gratuity obligations**

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

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

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

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

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

## **Defined contribution plans**

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

### **(vi) Termination benefits**

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

## **(n) Provisions, Contingent Liabilities and Contingent Assets**

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

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

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

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

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

# Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

**(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 estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

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

# Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

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

**(i) Impairment of non - financial assets**

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

**(ii) Useful lives of property, plant and equipment**

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

**(iii) Valuation of deferred tax assets**

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

**(iv) Defined benefit plans**

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

**(v) Provisions and contingent liabilities :-**

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

**(vi) Fair value measurement**

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



# Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

## 3 RECENT PRONOUNCEMENTS

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

- a) Ind AS 103 – Reference to Conceptual Framework The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.
- b) Ind AS 16 – Proceeds before intended use The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.
- c) Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.
- d) Ind AS 109 – Annual Improvements to Ind AS (2021) The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.
- e) Ind AS 106 – Annual Improvements to Ind AS (2021) The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

# Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

## 4. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lacs)

Particulars	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computer	Total
<b>Gross Carrying Value</b>								
<b>As at April 1, 2020</b>	444.61	1,407.85	3,366.33	130.21	137.10	32.84	67.37	5,586.31
Additions	-	133.35	376.80	4.63	-	1.13	6.68	522.59
Disposals/Transfer	-	-	-	-	-	-	-	-
<b>As at March 31, 2021</b>	444.61	1,541.20	3,743.13	134.84	137.10	33.97	74.05	6,108.90
Additions	-	32.27	241.84	10.64	10.43	1.18	16.21	312.57
Disposals/Transfer	-	-	-	-	9.54	-	-	9.54
<b>As at March 31, 2022</b>	444.61	1,573.47	3,984.97	145.48	137.99	35.15	90.26	6,411.93
<b>Accumulated depreciation and impairment</b>								
<b>As at April 1, 2020</b>	-	204.02	915.86	44.70	68.94	18.20	46.08	1,297.80
Depreciation	-	65.27	239.41	13.87	19.10	5.41	7.79	350.85
Adjustments	-	-	-	-	-	-	-	-
<b>As at March 31, 2021</b>	-	269.29	1,155.27	58.57	88.04	23.61	53.87	1,648.65
Depreciation	-	67.00	254.37	14.38	17.82	3.90	8.34	365.81
Adjustments	-	-	-	-	7.21	-	-	7.21
<b>As at March 31, 2022</b>	-	336.29	1,409.64	72.95	98.65	27.51	62.21	2,007.25
<b>Net Carrying Value</b>								
<b>As at March 31, 2021</b>	444.61	1,271.91	2,587.86	76.27	49.06	10.36	20.18	4,460.25
<b>As at March 31, 2022</b>	444.61	1,237.18	2,575.33	72.53	39.34	7.64	28.05	4,404.68

## 5. INTANGIBLE ASSETS

(₹ in Lacs)

Particulars	Product Development Cost	Total
<b>Gross Amount</b>		
<b>As at April 1, 2020</b>	14.13	14.13
Additions/Transfer	336.88	336.88
Disposals/Transfer	-	-
<b>As at March 31, 2021</b>	351.01	351.01
Additions/Transfer	-	-
Disposals/Transfer	-	-
<b>As at March 31, 2022</b>	351.01	351.01
<b>Accumulated amortisation and impairment</b>		
<b>As at April 1, 2020</b>	7.51	7.51
Amortisation	59.43	59.43
<b>Disposals/Transfer</b>	-	-
<b>As at March 31, 2021</b>	66.94	66.94
Amortisation	66.47	66.47
Disposals/Transfer	-	-
<b>As at March 31, 2022</b>	133.41	133.41
<b>Net Book Value</b>		
<b>As at March 31, 2021</b>	284.07	284.07
<b>As at March 31, 2022</b>	217.60	217.60

# Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

## Intangible Assets Under Development Ageing Schedule

As At March 31, 2022

(₹ in Lacs)

Intangible Assets under Development	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	27.55	18.86	25.32	237.95	309.68
Projects temporarily suspended	-	-	-	-	-

As on the date of balance sheet, there are no Intangible Assets under Development projects whose completion is overdue or has exceeded the cost, based on approved plan.

As At March 31, 2021

(₹ in Lacs)

Intangible Assets under Development	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	18.86	25.32	103.44	134.51	282.13
Projects temporarily suspended	-	-	-	-	-

As on the date of balance sheet, there are no Intangible Assets under Development projects whose completion is overdue or has exceeded the cost, based on approved plan.

## 6 NON - CURRENT FINANCIAL ASSETS - INVESTMENT

(₹ in Lacs)

Note No.	Particulars	Face Value per share (in ₹)	As at March 31, 2022	As at March 31, 2021
<b>a)</b>	<b>Investments in Equity Instruments - Quoted - (at fair value through other comprehensive income (FVTOCI))</b>			
	30 shares (March 31, 2021: 30 shares) of Advent Computers Limited	10.00	-	-
	<b>Sub - Total</b>		-	-
<b>b)</b>	<b>Investments in Equity Instruments - Unquoted - (at fair value through other comprehensive income (FVTOCI))</b>			
	20,000 shares (March 31, 2021: 20,000 shares) of Kapol Co-Op. Bank Limited	10.00	2.00	2.00
	3,500 shares (March 31, 2021: 3,500 shares) of Saraswat Co-Op. Bank Limited	10.00	5.52	3.84
	NIL shares (March 31, 2021: 500 shares) of the New India Co-Op. Bank Limited	10.00	-	0.27
	Less: Provision for impairment in value of investments		(2.00)	(2.00)
	<b>Sub - Total</b>		<b>5.52</b>	<b>4.11</b>
<b>c)</b>	<b>Investments in Government securities (non-trade) - (at amortised cost)</b>			
	7 years national savings certificate (lodged with collector of central excise and sales tax authority-Mumbai)		0.40	0.40

# Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

(₹ in Lacs)

Note No.	Particulars	Face Value per share (in ₹)	As at March 31, 2022	As at March 31, 2021
<b>d)</b>	<b>Investments in Equity Instruments</b>			
	<b>Wholly owned subsidiary companies (Unquoted) - (at cost)</b>			
	2,318,750 shares (March 31, 2021: 2,318,750 shares) of Kopran (H.K.) Limited, Hong Kong	1 HK\$	100.06	100.06
	50,000 shares (March 31, 2021: 50,000 shares) of Kopran Lifesciences Limited	10.00	5.00	5.00
	2,48,59,999 shares (March 31, 2021: 19,900,000 shares) of Kopran Research Laboratories Limited.	10.00	25,831.76	15,769.25
	<b>Sub - Total</b>		<b>25,936.82</b>	<b>15,874.31</b>
	<b>Total</b>		<b>25,942.74</b>	<b>15,878.82</b>
	Aggregate amount of quoted Investments		0.24	0.24
	Market value of quoted investments		-	-
	Aggregate amount of unquoted Investments		25,941.41	15,878.96
	Aggregate amount of impairment in value of investments		2.00	2.00

## 7 NON - CURRENT FINANCIAL ASSETS - OTHERS

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Unsecured, considered good</b>		
Security deposits	292.47	291.30
<b>Total</b>	<b>292.47</b>	<b>291.30</b>

## 8 OTHER NON - CURRENT ASSETS

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>considered good</b>		
Capital advances	99.61	83.10
Prepaid expenses	14.18	4.13
<b>Total</b>	<b>113.79</b>	<b>87.23</b>

## 9 INVENTORIES

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
(Valued at lower of cost and net realisable value)		
Raw materials {Includes stocks in transit ₹ 201.95 Lacs (March 31, 2021: ₹ 27.42 Lacs)}	2,316.98	1,419.88
Work-in-progress	758.07	538.16
Finished goods	577.48	404.59
Stores and spares	29.64	22.40
Packing materials	469.09	365.23
<b>Total</b>	<b>4,151.25</b>	<b>2,750.26</b>

# Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

## 10 CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Undisputed Receivable</b>		
<b>From other parties</b>		
Unsecured, Considered Good	5,906.87	4,952.17
Significant increase in credit risk	13.72	5.20
Credit impaired	8.00	19.80
<b>Receivable from related party - subsidiary - Kopran Research Laboratories Limited - Unsecured, considered good</b>	-	0.07
Less: Allowance for Expected credit loss	(15.40)	(30.89)
<b>Total</b>	<b>5,913.19</b>	<b>4,946.35</b>
<b>Particulars</b>	<b>Undisputed Trade Receivables</b>	<b>Undisputed Trade Receivables</b>
<b>Outstanding for following periods from date of Invoice</b>	<b>Unsecured, Considered Good</b>	<b>Unsecured, Considered Good</b>
Less than 6 months	5,896.23	4,782.75
6 months -1 year	10.64	169.49
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
<b>Total (A)</b>	<b>5,906.87</b>	<b>4,952.24</b>
<b>Outstanding for following periods from date of Invoice</b>	<b>Significant increase in credit risk</b>	<b>Significant increase in credit risk</b>
Less than 6 months	-	-
6 months -1 year	-	-
1-2 years	13.72	5.20
2-3 years	-	-
More than 3 years	-	-
<b>Total (B)</b>	<b>13.72</b>	<b>5.20</b>
<b>Outstanding for following periods from date of Invoice</b>	<b>Credit impaired</b>	<b>Credit impaired</b>
Less than 6 months	-	-
6 months -1 year	-	-
1-2 years	-	-
2-3 years	5.14	13.90
More than 3 years	2.86	5.90
<b>Total C</b>	<b>8.00</b>	<b>19.80</b>
<b>(A + B + C)</b>	<b>5,928.59</b>	<b>4,977.24</b>
Less: Allowance for Expected credit loss	(15.40)	(30.89)
<b>Total</b>	<b>5,913.19</b>	<b>4,946.35</b>

# Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

## 11 CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Balances with Banks</b>		
In current accounts	9.91	19.48
In fixed deposit accounts (Maturity of less than 3 months)	11.53	11.53
Cash on hand	3.69	1.43
<b>Total</b>	<b>25.13</b>	<b>32.44</b>

## 12 CURRENT FINANCIAL ASSETS - BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Earmarked balances with banks</b>		
Unpaid dividend account	18.29	11.52
Fixed deposits (Maturity of more than 3 months & less than 12 months) (Held as margin money or security against the guarantees)	211.77	278.43
<b>Total</b>	<b>230.06</b>	<b>289.96</b>

## 13 CURRENT FINANCIAL ASSETS - LOANS

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Unsecured, considered good</b>		
Loans to employees	48.92	36.19
<b>Total</b>	<b>48.92</b>	<b>36.19</b>

## 14 CURRENT FINANCIAL ASSETS - OTHERS

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Foreign currency forward / option contracts	45.84	202.15
Interest receivable	4.10	6.92
<b>Total</b>	<b>49.94</b>	<b>209.07</b>

# Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

## 15 OTHER CURRENT ASSETS

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Prepaid Expenses	133.06	83.14
Balance with statutory / government authorities	4,532.20	2,704.33
Others	23.53	21.79
<b>Total</b>	<b>4,688.79</b>	<b>2,809.26</b>

## 16 EQUITY SHARE CAPITAL

(₹ in Lacs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	Amount	Number	Amount
<b>Authorised</b>				
Equity Shares of ₹ 10 each	5,62,50,000	5,625.00	5,62,50,000	5,625.00
Preference share of ₹ 10 each	1,37,50,000	1,375.00	1,37,50,000	1,375.00
<b>Total</b>	<b>7,00,00,000</b>	<b>7,000.00</b>	<b>7,00,00,000</b>	<b>7,000.00</b>
<b>Issued</b>				
Equity Shares of ₹ 10 each fully paid up	4,82,12,601	4,821.26	4,32,52,602	4,325.26
<b>Subscribed and Paid up</b>				
Equity Shares of ₹ 10 each fully paid up	4,82,10,605	4,821.06	4,32,50,606	4,325.06
Less: Calls in-Arrears (Other than Director's)	-	-	-	-
Add: Equity Shares forfeited (amount originally paid up)	-	-	1,996	0.10
<b>Total</b>	<b>4,82,10,605</b>	<b>4,821.06</b>	<b>4,32,52,602</b>	<b>4,325.16</b>

### (i) Reconciliation of Number of Equity Shares

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
	Number of Shares	Number of Shares
Opening Balance	4,32,52,602	4,32,52,602
Add : Shares Issued during the year	49,59,999	-
Less: Shares forfeited during the year*	1,966	-
<b>Closing Balance</b>	<b>4,82,10,605</b>	<b>4,32,52,602</b>

\* The Corporate Affairs Committee, a Board Committee of the Company in its meeting held on February 12, 2021, had forfeited 1,996 partly paid-up Equity Shares of ₹ 10 each as the call amount outstanding at the rate of ₹ 20 per share has (consisting of ₹.5 towards face value and ₹ 15 towards securities premium) had remained unpaid. The same was disclosed under the head Equity Share Capital. During the year, the management has cancelled the aforesaid forfeited 1996 equity shares aggregating to ₹ 0.10 Lacs as the same shall not be reissued and the same have been transferred to "Capital Reserve" under the head "Other Equity".

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

#### As to voting

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

# Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

## As to distribution of dividends

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

## As to repayment of capital

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

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

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

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

(₹ in Lacs)

Name of Shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
<b>Equity Shares of ₹ 10 each fully paid</b>				
Panorama Finvest Pvt Limited	38,00,000	7.88%	38,00,000	8.79%
Sarvamangal Mercantile Co. Limited	29,02,951	6.02%	29,02,951	6.71%
Oricon Enterprises Limited	62,17,183	12.90%	59,61,758	13.78%
Rajendra Somani	23,24,250	4.82%	23,24,250	5.37%

### (v) Details of Shares held by the promoters of the Company

#### Equity Shares held by Promoters as at March 31, 2022 and March 31, 2021

Promoter name	As at March 31, 2022			As at March 31, 2021		
	No of Shares	% of total Shares	% Change during the Year	No of Shares	% of total Shares	% Change during the Year
Equity Shares of ₹ 10 each fully paid						
Rajendra Somani	23,24,250	4.82%	(10.29%)	23,24,250	5.37%	0.00%
Susheel Somani	8,71,900	1.81%	(10.29%)	8,71,900	2.02%	0.00%
Hridai Susheel Somani	1,16,900	0.24%	(10.29%)	1,16,900	0.27%	0.00%
Mridula Somani	2,28,900	0.47%	(10.29%)	2,28,900	0.53%	0.00%
Surendra Somani	5,03,075	1.04%	(10.29%)	5,03,075	1.16%	0.00%
Jaya Somani	2,58,500	0.54%	(10.29%)	2,58,500	0.60%	0.00%
Adarsh Somani	1,81,250	0.38%	(10.29%)	1,81,250	0.42%	0.00%
Suhrid Somani	93,300	0.19%	(10.29%)	93,300	0.22%	0.00%
Vandana Somani	3,25,200	0.67%	(10.29%)	3,25,200	0.75%	0.00%
Kumkum Somani	35,635	0.07%	(10.29%)	35,635	0.08%	0.00%
Varun Somani	2,72,500	0.57%	(10.29%)	2,72,500	0.63%	0.00%
Nupur Somani	2,70,000	0.56%	(10.29%)	2,70,000	0.62%	0.00%
Debonair Publication Pvt Limited	1,000	0.00%	(10.29%)	1,000	0.00%	0.00%
G Claridge & Company Limited	3,42,500	0.71%	(10.29%)	3,42,500	0.79%	0.00%
Oricon Enterprises Limited	62,17,183	12.90%	(6.44%)	59,61,758	13.78%	0.00%
Parijat Shipping and Finale Limited	3,85,209	0.80%	(10.29%)	3,85,209	0.89%	0.00%
Kopran Lifestyle Limited	3,950	0.01%	(10.29%)	3,950	0.01%	0.00%
Sarvamangal Mercantile Co Limited	29,02,951	6.02%	(10.29%)	29,02,951	6.71%	0.00%
United Shippers Limited	22,00,000	4.56%	100.00%	-	0.00%	0.00%
Panorama Finvest Pvt Limited	38,00,000	7.88%	(10.29%)	38,00,000	8.79%	0.00%



# Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

## 17 OTHER EQUITY

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Reserves and Surplus</b>		
Capital Reserve	1,484.84	1,484.74
General Reserve	814.21	814.21
Securities Premium	24,408.37	12,256.37
Export Allowance Reserve	0.40	0.40
Retained Earnings	6,241.32	5,715.47
<b>Sub - Total - A</b>	<b>32,949.14</b>	<b>20,271.19</b>
<b>Other Comprehensive Income (OCI)</b>		
Equity Instruments through OCI	2.76	1.62
Remeasurements of net defined benefit plans	99.45	87.02
<b>Sub - Total - B</b>	<b>102.21</b>	<b>88.64</b>
<b>Total - A + B</b>	<b>33,051.35</b>	<b>20,359.83</b>

### Note

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

## 18 NON - CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Secured</b>		
<b>Term Loans</b>		
From Others - Vehicle loan	7.50	5.50
<b>Inter corporate deposits</b>		
Others	200.00	230.42
<b>Total</b>	<b>207.50</b>	<b>235.92</b>

### Security, rate of interest and terms of repayment

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

Rate of Interest - 7.73% p.a. to 9.71% p.a.

Terms of repayment are as under:

March 31, 2023 - ₹ 8.57 Lacs

March 31, 2024 - ₹ 1.82 Lacs

March 31, 2025 - ₹ 2.14 Lacs

March 31, 2026 - ₹ 2.31 Lacs

March 31, 2027 - ₹ 1.23 Lacs

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

Rate of Interest - 10.00% p.a.

Inter corporate deposits are repayable as under:

March 31, 2024 - ₹ 200 Lacs

# Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

## 19 NON - CURRENT LIABILITIES - PROVISIONS

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Gratuity	334.84	319.21
Leave encashment	68.56	66.83
<b>Total</b>	<b>403.41</b>	<b>386.04</b>

## 20 DEFERRED TAX ASSETS/ (LIABILITIES) (NET)

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Deferred tax liabilities (Gross)</b>		
Relating to depreciation on fixed assets	435.23	470.63
Fair value of equity instruments through OCI	0.69	0.36
<b>(a)</b>	<b>435.92</b>	<b>470.99</b>
<b>Deferred Tax Assets (Gross)</b>		
Provision for gratuity	96.72	103.53
Provision for leave encashment	26.32	27.44
Provision for expected credit loss	3.95	8.99
Provision for bonus	5.06	5.63
Provision for export benefit obligation	-	5.18
Provision for impairment in value of investments	0.51	0.58
<b>(b)</b>	<b>132.56</b>	<b>151.35</b>
MAT credit entitlement	<b>(c)</b>	88.20
<b>Net Deferred tax assets/(liabilities)</b>	<b>- (b) + (c) - (a)</b>	<b>(231.44)</b>

## 21 CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Secured, Repayable on demand</b>		
<b>From banks</b>		
Cash credit / packing credit	2,666.14	1,064.65
Buyers credit	-	201.54
<b>Unsecured, repayable on demand</b>		
Loan from Director	22.00	59.50
Loan from Kopran Research Laboratories Limited	786.20	-
<b>Total</b>	<b>3,474.34</b>	<b>1,325.69</b>

### Security and rate of interest

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

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

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

Corporate Guarantee of Subsidiary Company - Kopran Research Laboratories Limited and personal guarantee of director / promoter aggregating to ₹ 2,885.00 Lacs.

Rate of Interest on cash credit - 9.05% p.a. to 11.47% p.a.

Rate of Interest on packing credit - SOFR + 200 bps

Rate of Interest on buyers credit - SOFR + 40 bps to SOFR + 100 bps

# Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

## 22 TRADE PAYABLES

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Due to micro and small enterprises (Refer Note No. 50)	72.32	22.75
Due to Others [including acceptances ₹ Nil (March 31, 2021: Nil)]	2,906.87	3,973.26
<b>Total</b>	<b>2,979.19</b>	<b>3,996.01</b>

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Ageing of Trade Payables</b>		
<b>Outstanding for following periods from due date of Invoice</b>		
<b>Due to Others</b>		
Less than 1 year	2,794.53	3,801.04
Less than 1 year- Unbilled	35.61	31.09
1-2 years	0.24	38.22
2-3 years	0.85	61.75
More than 3 years	75.64	41.16
<b>Total</b>	<b>2,906.87</b>	<b>3,973.26</b>
<b>Due to micro and small enterprises</b>		
Less than 1 year	72.32	22.75
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
<b>Total</b>	<b>72.32</b>	<b>22.75</b>

## 23 CURRENT FINANCIAL LIABILITIES - OTHER

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Current maturities of long-term debt (for Security, rate of interest and terms of repayment refer Note No. 18(a) above)	8.57	9.91
Interest accrued	-	7.38
Unpaid Dividends	18.29	11.52
Security deposits	5.00	5.00
<b>Other payables</b>		
Creditors for capital goods	65.37	95.31
Employees payables	184.43	252.32
Creditors for expenses	611.80	733.16
Provision for expenses	32.71	32.28
Others	-	57.23
<b>Total</b>	<b>926.17</b>	<b>1,204.11</b>

## 24 OTHER CURRENT LIABILITIES

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance from customers	125.08	207.52
Statutory liabilities	43.87	42.15
Other payables	-	17.81
<b>Total</b>	<b>168.95</b>	<b>267.48</b>

# Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

## 25 CURRENT LIABILITIES - PROVISIONS

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Gratuity	42.61	36.31
Leave encashment	34.16	27.39
<b>Total</b>	<b>76.77</b>	<b>63.70</b>

## 26 REVENUE FROM OPERATIONS

(₹ in Lacs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Sale of products	20,336.22	21,742.55
Other operating revenues		
Scrap sales	28.08	24.87
Export Incentive	87.73	515.89
<b>Total</b>	<b>20,452.04</b>	<b>22,283.31</b>

## 27 OTHER INCOME

(₹ in Lacs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>Dividend income</b>		
Long - term investments	0.07	-
<b>Interest Income</b>		
On fixed deposit	13.23	7.15
Others	126.70	5.80
Liabilities written back (net)	68.19	4.26
Net gain on foreign currency transaction and translation	410.37	841.40
Financial guarantee obligation	62.50	62.50
Miscellaneous income	121.62	120.25
<b>Total</b>	<b>802.68</b>	<b>1,041.36</b>

## 28 COST OF MATERIAL CONSUMED

(₹ in Lacs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Raw material consumption		
Opening stock	1,419.88	1,280.89
Add: Purchases	11,661.72	8,997.30
	<b>13,081.60</b>	<b>10,278.19</b>
Less : Closing stock	2,316.98	1,419.88
<b>Sub - Total</b>	<b>10,764.62</b>	<b>8,858.31</b>
Packing materials consumption		
Opening stock	365.23	342.57
Add: Purchases	2,191.44	1,680.55
	<b>2,556.67</b>	<b>2,023.12</b>
Less : Closing stock	469.09	365.23
<b>Sub - Total</b>	<b>2,087.58</b>	<b>1,657.89</b>
<b>Total</b>	<b>12,852.20</b>	<b>10,516.20</b>

# Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

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

(₹ in Lacs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>Opening Inventories</b>		
Finished goods	404.59	1,718.91
Work in progress	538.16	694.13
	<b>942.75</b>	<b>2,413.04</b>
<b>Closing Inventories</b>		
Finished goods	577.48	404.59
Work in progress	758.06	538.16
	<b>1,335.54</b>	<b>942.75</b>
<b>Total</b>	<b>(392.79)</b>	<b>1,470.29</b>

## 30 EMPLOYEE BENEFITS EXPENSE

(₹ in Lacs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Salaries and Wages	1,817.26	1,604.73
Contribution to Provident and Other Funds	104.76	85.04
Staff welfare expenses	183.43	144.10
<b>Total</b>	<b>2,105.45</b>	<b>1,833.87</b>

## 31 FINANCE COSTS

(₹ in Lacs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Interest expense	173.83	286.80
Other borrowing cost	121.46	93.87
<b>Total</b>	<b>295.29</b>	<b>380.67</b>

## 32 OTHER EXPENSES

(₹ in Lacs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Stores and spares consumed	194.76	236.98
Power and fuel	650.65	568.17
Rent	123.84	244.82
<b>Repairs and maintenance</b>		
Building	36.69	27.26
Machinery	21.83	12.92
Others	65.19	55.41
Insurance	37.74	30.70
Commission on sales	609.32	525.06
Selling and distribution expenses	16.32	16.88
Product Registration Charges	20.04	52.52
Job work charges	594.66	500.63
Packing, freight and forwarding	736.18	377.09
Payment to auditors (Refer Note No. 42)	9.02	9.04
Loss on sale of Shares	0.22	-

# Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

(₹ in Lacs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Housekeeping and office maintainance	62.29	64.66
Printing and stationery	32.62	29.27
Postage, telegram and telephone	28.32	24.83
Travelling and conveyance	108.24	57.73
Legal and professional fees	479.73	528.49
Rates and taxes	42.05	29.08
Security charges	36.23	36.73
Directors' sitting fees	5.86	4.65
Sundry balances written off	46.65	71.11
Bad debts	-	72.55
Add/(Less): Provision for Expected credit loss written back (15.49)	(15.49)	(4.68)
Corporate Social Responsibility Expenses	40.87	44.41
Loss on Sale of License	-	1.32
Miscellaneous expenses	38.72	37.33
<b>Total</b>	<b>4,022.60</b>	<b>3,654.96</b>

### 33 CAPITAL COMMITMENTS & CONTINGENT LIABILITIES

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>a) Contingent liabilities</b>		
Guarantees given by the Company's bankers on behalf of the Company	137.91	332.55
Corporate guarantee given for loan taken by subsidiary (to the extent amount utilised)	3,068.57	2,950.65
Bills discounted with banks	-	446.19
<b>Disputed tax Matters</b>		
Excise duty demand disputed in appeal	0.44	0.44
Service tax demand disputed in appeal	507.95	507.95
Sales tax demand disputed in appeal	17.85	-
Income tax demand disputed in appeal	207.56	207.56
<b>Other claims / demands against Company not acknowledged as debts</b>		
a) Demand under Drug Price Control Order - 95 (DPCO - 95) demand disputed in appeal	591.34	591.34
b) Others	13.24	13.24

#### b) Supreme Court Judgement on computation of provident fund contribution

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

c) Capital Commitments	As at March 31, 2022	As at March 31, 2021
Estimated amounts of contracts remaining to be executed on capital account (net of advances) and not provided for	8.18	1.46

# Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

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

(₹ in Lacs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Net Profit as per the Statement of Profit and Loss available for Equity Shareholders (₹ in Lacs)	1,174.42	2,347.23
Number of Equity Shares outstanding (No's in Lacs)	482.11	432.51
Weighted average number of Equity Shares for Basic and Diluted Earnings Per Share (No's in Lacs)	443.10	432.51
Nominal value of equity shares ₹	10.00	10.00
<b>Earnings Per Share:</b>		
Basic (in ₹)	2.65	5.43
Diluted (in ₹)	2.65	5.43

## 35 CIF VALUE OF IMPORTS

(₹ in Lacs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Raw Materials	1,346.13	1,993.20
Traded Goods	94.33	1,219.92
Capital Goods	21.02	15.50
<b>Total</b>	<b>1,461.48</b>	<b>3,228.62</b>

## 36 EXPENDITURE IN FOREIGN CURRENCY

(₹ in Lacs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Commission	544.44	431.38
Registration Fees	18.28	46.50
Bank Interest on Buyers Credit	1.41	2.07
Selling and distribution expenses	0.30	-
Travelling Expenses	15.99	-
Research & Development Charges	2.66	-
Plant Inspection Charges	7.16	-
Others	31.88	28.32
<b>Total</b>	<b>622.12</b>	<b>508..27</b>

## 37 EARNINGS IN FOREIGN CURRENCY

(₹ in Lacs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
FOB Value of Exports	19,492.54	19,904.20
<b>Total</b>	<b>19,492.54</b>	<b>19,904.20</b>

# Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

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

### a) Defined contribution plan

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

(₹ in Lacs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Employer's contribution to Provident Fund	97.09	79.00
Employer's contribution to Labour Welfare Fund	0.24	0.21
Employer's contribution to ESIC	7.44	5.82
<b>Total</b>	<b>104.76</b>	<b>85.04</b>

### 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.

#### i) Gratuity Benefits (unfunded)

(₹ in Lacs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>Present value of the projected benefit obligation</b>		
Present value of benefit obligation at the beginning of the year	355.52	350.06
Interest cost	24.74	23.87
Current service cost	24.24	24.33
Past service cost	-	-
Actuarial (gains) / losses on obligations - due to change in Demographic assumptions	(6.64)	-
Actuarial (gains) / losses on obligations - due to change in financial assumptions	(27.84)	(4.95)
Actuarial (gains) / losses on obligations - due to experience	17.80	(18.97)
Benefits paid directly by employer	(10.37)	(18.82)
<b>Present value of benefit obligation at the end of the year</b>	<b>377.45</b>	<b>355.52</b>
<b>Change in the fair value of plan assets</b>		
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	-	-
<b>Fair value of plan assets at the end of the year</b>	<b>-</b>	<b>-</b>
<b>Amount recognised in the Balance Sheet</b>		
Present value obligations at the end of the year	(377.45)	(355.52)
Fair value of plan assets at the end of the year	-	-
Funded status surplus / (deficit)	(377.45)	(355.52)
<b>Net (liability) / asset recognised in the Balance Sheet</b>	<b>(377.45)</b>	<b>(355.52)</b>



# Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

(₹ in Lacs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>Net interest cost for the current year</b>		
Present value benefit obligation at the beginning of the year	355.52	350.06
Fair value of plan assets at the beginning of the year	-	-
Net liability / (asset) at the beginning	355.52	350.06
Interest cost	24.74	23.87
Interest income	-	-
<b>Interest cost for the current year</b>	<b>24.74</b>	<b>23.87</b>
<b>Expenses recognised in the statement of profit or loss for the current year</b>		
Current service cost	24.24	24.33
Net interest cost	24.74	23.87
Past service cost	-	-
<b>Expenses recognised</b>	<b>48.99</b>	<b>48.20</b>
<b>Expenses recognised in the other comprehensive income (OCI) for the current year</b>		
Actuarial (gains) / losses on obligation for the year	(16.68)	(23.92)
Return on plan assets, excluding interest income	-	-
Change in asset ceiling	-	-
<b>Net (income) / expense for the year recognised in OCI</b>	<b>(16.68)</b>	<b>(23.92)</b>
<b>Balance Sheet Reconciliation</b>		
Opening net liability	355.52	350.06
Expenses recognised in the statement of profit or loss	48.98	48.20
Expenses recognised in OCI	(16.68)	(23.92)
Benefits paid directly by employer	(10.37)	(18.82)
<b>Net liability / (asset) recognised in the Balance Sheet</b>	<b>377.45</b>	<b>355.52</b>
<b>Category of assets</b>		
NIL, as Funding status in unfunded.	-	-
<b>Maturity analysis of the benefit payments from the employer</b>		
<b>Projected benefits payable in future years from the date of reporting</b>		
1st following year	42.61	36.31
2nd following year	6.22	11.21
3rd following year	9.36	8.24
4th following year	24.94	8.74
5th following year	18.94	23.56
Sum of years of 6 to 10	141.59	125.18
Sum of years of 11 and above	582.96	600.75

### Sensitivity Analysis

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

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

# Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

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

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

(₹ in Lacs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Projected benefit obligation on current assumptions	377.45	355.52
Delta effect of + 1% change in rate of discounting	(31.66)	(16.86)
Delta effect of - 1% change in rate of discounting	36.42	18.18
Delta effect of + 1% change in rate of salary increase	36.87	18.35
Delta effect of - 1% change in rate of salary increase	(32.57)	(17.16)
Delta effect of + 1% change in rate of employee turnover	6.01	2.04
Delta effect of - 1% change in rate of employee turnover	(6.69)	(2.16)
Assumptions used to determine the benefit obligations		
Rate of Discounting	7.23%	6.96%
Rate of salary increase	5.00%	5.50%
Rate of employee turnover	For Service 4 years and below 24.50% p.a. For Service 5 years and above 1.00% p.a	1.00%
Mortality rate during employment	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality (2006-08) Ultimate

## ii) Leave Encashment (unfunded)

(₹ in Lacs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>Present value of the projected benefit obligation</b>		
Present value benefit obligation at the beginning of the year	94.22	104.58
Interest cost	6.56	7.13
Current service cost	3.99	3.76
Actuarial (gains) / losses on obligations - due to change in Demographic assumptions	2.84	-
Actuarial (gains) / losses on obligations - due to change in financial assumptions	(6.31)	(1.24)
Actuarial (gains) / losses on obligations - due to experience	17.26	(10.79)
Benefits paid directly by employer	(15.84)	(9.23)
<b>Present value of benefit obligation at the end of the year</b>	<b>102.72</b>	<b>94.22</b>
<b>Change in the Fair value of plan assets</b>		
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	-	-
<b>Fair value of Plan Assets at the end of the year</b>	<b>-</b>	<b>-</b>

# Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

Particulars	(₹ in Lacs)	
	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>Actuarial (gains) / losses recognised in the Statement of Profit or Loss for the current year</b>		
Actuarial (gains) / losses on obligation for the year	(13.79)	(12.02)
Return on plan assets, excluding interest income		
Sub - total	(13.79)	(12.02)
<b>Actuarial (gains) / losses recognised in the Statement of Profit or Loss</b>	<b>(13.79)</b>	<b>(12.02)</b>
<b>Actual Return on Plan Assets</b>		
Interest income	-	-
Return on plan assets, excluding interest income	-	-
<b>Actual return on plan assets</b>	<b>-</b>	<b>-</b>
<b>Amount recognised in the Balance Sheet</b>		
Present value obligations at the end of the year	(102.72)	(94.22)
Fair value of plan assets at the end of the year	-	-
Funded status surplus / (deficit)	(102.72)	(94.22)
Unrecognised past service cost at the end of the period	-	-
<b>Net (liability) / asset recognised in the Balance Sheet</b>	<b>(102.72)</b>	<b>(94.22)</b>
<b>Net interest cost for the current year</b>		
Present value benefit obligation at the beginning of the year	94.22	104.58
Fair value of plan assets at the beginning of the year	-	-
Net (liability) / asset at the beginning	94.22	104.58
Interest cost	6.56	7.13
Interest income	-	-
<b>Net interest cost for the current year</b>	<b>6.56</b>	<b>7.13</b>
<b>Expenses recognised in the statement of profit or loss for the current year</b>		
Current service cost	3.99	3.76
Net interest cost	6.56	7.13
Actuarial (gains) / losses	13.79	(12.02)
<b>Expenses recognised in the statement of profit or loss</b>	<b>24.34</b>	<b>(1.13)</b>
<b>Balance Sheet reconciliation</b>		
Opening net liability	94.22	104.58
Expenses recognised in the statement of profit or loss	24.34	(1.13)
Employers contribution	-	-
Benefits paid directly by employer	(15.84)	(9.23)
<b>Net liability / (assets) recognised in the Balance Sheet</b>	<b>102.72</b>	<b>94.22</b>
<b>Category of Assets</b>		
NIL, as Funding status in unfunded	-	-
<b>Assumptions used to determine the benefit obligations</b>		
Rate of Discounting	7.23%	6.96%
Rate of salary increase	5.00%	5.50%
Rate of employee turnover	For Service 4 years and below 24.50% p.a. For Service 5 years and above 1.00% p.a.	1.00%
Mortality rate during employment	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality (2006-08) Ultimate

# Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

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

### (a) Names of related parties where control exists:

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

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

(₹ in Lacs)

Nature of Transaction	Enterprises Owned or Controlled (Wholly Owned Subsidiaries)		Key Management Personnel		Enterprises Significantly influenced by KMP or their relative		Total	
	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
<b>Loan Received</b>								
Oricon Enterprises Limited	-	-	-	-	2,250.00	-	2,250.00	-
Kopran Research Laboratories Limited	3,388.93	2,840.87	-	-	-	-	3,388.93	2,840.87
Surendra Somani (Executive Vice Chairman)	-	-	14.50	-	-	-	14.50	-
<b>Total</b>	<b>3,388.93</b>	<b>2,840.87</b>	<b>14.50</b>	<b>-</b>	<b>2,250.00</b>	<b>-</b>	<b>5,653.43</b>	<b>2,840.87</b>
<b>Repayment of Loan taken</b>								
Surendra Somani (Executive Vice Chairman)	-	-	52.00	260.00	-	-	52.00	260.00
Oricon Enterprises Limited	-	-	-	-	2,250.00	1,124.00	2,250.00	1,124.00
Kopran Research Laboratories Limited	2,602.73	3,754.65	-	-	-	-	2,602.73	3,754.65
<b>Total</b>	<b>2,602.73</b>	<b>3,754.65</b>	<b>52.00</b>	<b>260.00</b>	<b>2,250.00</b>	<b>1,124.00</b>	<b>4,904.73</b>	<b>5,138.65</b>
<b>Purchases</b>								
Kopran Research Laboratories Limited	545.02	873.92	-	-	-	-	545.02	873.92
Oricon Enterprises Limited	-	-	-	-	107.10	71.12	107.10	71.12
<b>Total</b>	<b>545.02</b>	<b>873.92</b>	<b>-</b>	<b>-</b>	<b>107.10</b>	<b>71.12</b>	<b>652.12</b>	<b>945.04</b>
<b>Sales</b>								
Kopran Research Laboratories Limited	98.16	1,242.93	-	-	-	-	98.16	1,242.93
<b>Total</b>	<b>98.16</b>	<b>1,242.93</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>98.16</b>	<b>1,242.93</b>
<b>Interest Expense</b>								
Oricon Enterprises Limited	-	-	-	-	13.04	43.75	13.04	43.75
Kopran Research Laboratories Limited	-	55.37	-	-	-	-	-	55.37
<b>Total</b>	<b>-</b>	<b>55.37</b>	<b>-</b>	<b>-</b>	<b>13.04</b>	<b>43.75</b>	<b>13.04</b>	<b>99.12</b>

# Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

(₹ in Lacs)

Nature of Transaction	Enterprises Owned or Controlled (Wholly Owned Subsidiaries)		Key Management Personnel		Enterprises Significantly influenced by KMP or their relative		Total	
	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
<b>Interest Received</b>								
Kopran Laboratories Limited	-	-	-	-	-	4.20	-	4.20
Kopran Research Laboratories Limited	126.56	-	-	-	-	-	126.56	-
<b>Total</b>	<b>126.56</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4.20</b>	<b>126.56</b>	<b>4.20</b>
<b>Loan Given</b>								
Kopran Laboratories Limited	-	-	-	-	-	-	-	-
Kopran Research Laboratories Limited	15,537.65	10.30	-	-	-	-	15,537.65	10.30
<b>Total</b>	<b>15,537.65</b>	<b>10.30</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,537.65</b>	<b>10.30</b>
<b>Repayment of Loan Given</b>								
Kopran Laboratories Limited	-	-	-	-	-	35.00	-	35.00
Kopran Research Laboratories Limited	15,537.65	10.30	-	-	-	-	15,537.65	10.30
<b>Total</b>	<b>15,537.65</b>	<b>10.30</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35.00</b>	<b>15,537.65</b>	<b>45.30</b>
<b>Corporate Social Responsibility</b>								
S K Somani Memorial Charitable Trust	-	-	-	-	12.50	24.51	12.50	24.51
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12.50</b>	<b>24.51</b>	<b>12.50</b>	<b>24.51</b>
<b>Miscellaneous Expenses</b>								
Oricon Enterprises Limited (Rent paid)	-	-	-	-	120.00	240.00	120.00	240.00
Kopran Research Laboratories Limited	0.97	0.84	-	-	-	-	0.97	0.84
Kopran Laboratories Limited	-	-	-	-	0.10	0.41	0.10	0.41
Kopran Life Sciences Limited	0.01	0.01	-	-	-	-	0.01	0.01
<b>Total</b>	<b>0.98</b>	<b>0.85</b>	<b>-</b>	<b>-</b>	<b>120.10</b>	<b>240.41</b>	<b>121.08</b>	<b>241.26</b>
<b>Remuneration</b>								
Surendra Somani	-	-	148.50	125.65	-	-	148.50	125.65
B. K. Soni	-	-	22.59	27.24	-	-	22.59	27.24
Sunil Sodhani	-	-	16.24	16.46	-	-	16.24	16.46
Kamesh Venkata Bhamidipati	-	-	49.14	39.26	-	-	49.14	39.26
<b>Total</b>	<b>-</b>	<b>-</b>	<b>236.47</b>	<b>208.60</b>	<b>-</b>	<b>-</b>	<b>236.47</b>	<b>208.60</b>
<b>Corporate Guarantee Given to</b>								
Kopran Research Laboratories Limited	6,425.00	6,250.00	-	-	-	-	6,425.00	6,250.00
<b>Total</b>	<b>6,425.00</b>	<b>6,250.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,425.00</b>	<b>6,250.00</b>
<b>Financial Guarantee Income</b>								
Kopran Research Laboratories Limited	62.50	62.50	-	-	-	-	62.50	62.50
<b>Total</b>	<b>62.50</b>	<b>62.50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62.50</b>	<b>62.50</b>
<b>Miscellaneous Income</b>								
Kopran Research Laboratories Limited (Rent Lease)	120.00	120.00	-	-	-	-	120.00	120.00
Kopran Laboratories Limited	-	-	-	-	0.06	-	0.06	-
<b>Total</b>	<b>120.00</b>	<b>120.00</b>	<b>-</b>	<b>-</b>	<b>0.06</b>	<b>-</b>	<b>120.06</b>	<b>120.00</b>

# Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

(₹ in Lacs)

Nature of Transaction	Enterprises Owned or Controlled (Wholly Owned Subsidiaries)		Key Management Personnel		Enterprises Significantly influenced by KMP or their relative		Total	
	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
<b>Investment in the shares of the Subsidiary Company</b>								
Kopran Research Laboratories Limited	10,062.50	62.50	-	-	-	-	10,062.50	62.50
<b>Total</b>	<b>10,062.50</b>	<b>62.50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,062.50</b>	<b>62.50</b>
<b>Corporate Guarantee Given by</b>								
Kopran Research Laboratories Limited	2,885.00	3,600.00	-	-	-	-	2,885.00	3,600.00
<b>Total</b>	<b>2,885.00</b>	<b>3,600.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,885.00</b>	<b>3,600.00</b>
<b>Balance Payable as at March 21, 2022</b>								
Kopran Research Laboratories Limited - Loan	786.20	-	-	-	-	-	786.20	-
Kopran Research Laboratories Limited - Trade Payable	-	182.02	-	-	-	-	-	182.02
Oricon Enterprises Limited - Trade Payable	-	-	-	-	564.88	470.92	564.88	470.92
Oricon Enterprises Limited - Loan	-	-	-	-	-	-	-	-
Surendra Somani - Loan	-	-	22.00	59.50	-	-	22.00	59.50
<b>Total</b>	<b>786.20</b>	<b>182.02</b>	<b>22.00</b>	<b>59.50</b>	<b>564.88</b>	<b>470.92</b>	<b>1,373.08</b>	<b>712.44</b>
<b>Balance Receivable as at March 21, 2022</b>								
Kopran Research Laboratories Limited - Trade Receivable	-	0.07	-	-	-	-	-	0.07
Kopran Laboratories Limited - Loan	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>0.07</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.07</b>

The sitting fees paid to non - executive directors is ₹ 5.86 Lacs (March 31, 2021 ₹ 4.65 Lacs).

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

The Company is primarily engaged in the business of manufacturing of "Formulation (Finished Dosage Form)" which in the context of Indian Accounting Standard (Ind AS) 108 on Operating Segments constitutes a single reportable segment. In accordance with Ind AS 108 "Operating Segments", segment information has been given in the consolidated financial statements of the Company and therefore no separate disclosure on segment information is given in these financial statements.

#### 41 DISCLOSURES PURSUANT TO IND AS 116 "LEASES"

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

(₹ in Lacs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Lease payments in respect of such lease recognised in statement of profit and loss account	120.00	240.00

# Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

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

Particulars	(₹ in Lacs)	
	Year Ended March 31, 2022	Year Ended March 31, 2021
Not later than one year	-	180.00
Later than one year and not later than five years	-	-
Later than five years	-	-

**42 PAYMENTS TO AUDITOR (EXCLUDING TAXES)**

Particulars	(₹ in Lacs)	
	Year Ended March 31, 2022	Year Ended March 31, 2021
As Auditor		
Audit Fees	7.50	7.50
Tax Audit Fees	1.50	1.50
Out of Pocket expenses	0.02	0.04
<b>Total</b>	<b>9.02</b>	<b>9.04</b>

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

**44 CURRENT TAX AND DEFERRED TAX**

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

Particulars	(₹ in Lacs)	
	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>Current Tax</b>		
Current Income Tax Charge	374.69	575.68
Adjustments in respect of prior years	-	-
<b>Total</b>	<b>374.69</b>	<b>575.68</b>
<b>Deferred Tax</b>		
In respect of current year	67.31	347.61
<b>Total</b>	<b>67.31</b>	<b>347.61</b>
<b>Total tax expense recognised in Statement of Profit and Loss</b>	<b>442.00</b>	<b>923.29</b>

**b) Income Tax recognised in Other Comprehensive Income**

Particulars	(₹ in Lacs)	
	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>Deferred Tax (Liabilities) / Assets</b>		
Net changes in Fair value of investments in equity shares carried at fair value through OCI	(0.33)	(0.42)
Remeasurement of Defined Benefit Obligations	(4.28)	(6.97)
<b>Total</b>	<b>(4.61)</b>	<b>(7.39)</b>

# Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

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

(₹ in Lacs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Net profit as per Statement of Profit and Loss Account (before tax) – (i)	1,616.42	3,270.54
Corporate Tax Rate as per Income tax Act, 1961 – (ii)	29.12	29.12
Tax on Accounting Profit – (iii) = (i) * (ii)	470.70	952.38
<b>Tax difference on account of:</b>		
Expenses not allowable under the Income tax Act, 1961	(7.81)	(30.41)
Timing Differences - Deferred tax assets	(20.89)	1.32
Rounding off tax differences	-	-
<b>Income tax expense recognised in profit and loss</b>	<b>442.00</b>	<b>923.29</b>

**d) Movement of Deferred Tax**

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

Particulars	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
Relating to depreciation on fixed assets	(470.63)	35.40	-	(435.23)
Provision for gratuity	103.53	(2.52)	(4.28)	96.72
Provision for leave encashment	27.44	(1.11)	-	26.32
Provision for expected credit loss	8.99	(5.05)	-	3.95
Provision for Bonus	5.63	(0.57)	-	5.06
Provision for export benefit obligation	5.18	(5.18)	-	-
Provision for impairment in value of investments	0.58	(0.07)	-	0.51
Fair value of equity instruments through OCI	(0.36)	-	(0.33)	(0.69)
MAT Credit Entitlement	88.20	(88.20)	-	-
<b>Net Deferred Tax Assets/ (Liabilities)</b>	<b>(231.44)</b>	<b>(67.31)</b>	<b>(4.61)</b>	<b>(303.36)</b>

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

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



# Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

## 45 DETAILS OF LOANS GIVEN, COVERED U/S 186 (4) OF THE COMPANIES ACT, 2013 AND DISCLOSURE PURSUANT TO CLAUSE 34 OF THE (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

(₹ in Lacs)

Particulars	Year Ended	Year Ended
	March 31, 2022	March 31, 2021
<b>a) Loans and advances in the nature of loans</b>		
<b>i) Loan to subsidiary: Kopran Research Laboratories Limited</b>		
Loans given during the year	15,537.65	10.30
Balance as at the year end	-	-
Maximum amount outstanding at any time during the year	11,739.83	10.30
Purpose: Working Capital		
<b>b) Investment in the shares of the Subsidiary Company</b>		
Kopran Research Laboratories Limited during the year	10,062.50	62.50
For details of investments made in subsidiaries and balances as at March 31, 2022 Refer Note No. 6(d)		
<b>c) Corporate Guarantee given</b>		
For loans sanctioned to Kopran Research Laboratories Limited	6,425.00	6,250.00

- 46 a) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- b) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

## 47 FINANCIAL INSTRUMENTS

### i. Financial Instruments by Category

(₹ in Lacs)

Particulars	March 31, 2022			March 31, 2021		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
<b>Financial Assets</b>						
Non - current financial assets - Investment	-	5.52	0.40	-	4.11	0.40
Non - current financial assets - Loans receivables	-	-	292.47	-	-	291.30
Current financial assets - Trade receivables	-	-	5,913.19	-	-	4,946.35
Current financial assets - Cash and cash equivalents	-	-	25.13	-	-	32.45
Current financial assets - Bank Balances other than cash and cash equivalents	-	-	230.06	-	-	289.96
Current financial assets - Loans receivables	-	-	48.92	-	-	36.19
Current financial assets - Others	-	-	4.10	-	-	6.92
Derivatives designated as hedges - Foreign currency forward contracts	45.84	-	-	202.15	-	-
<b>Total</b>	<b>45.84</b>	<b>5.52</b>	<b>6,514.26</b>	<b>202.15</b>	<b>4.11</b>	<b>5,603.56</b>

# Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

(₹ in Lacs)

Particulars	March 31, 2022			March 31, 2021		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
<b>Financial Liabilities</b>						
Non - current financial liabilities - Borrowings	-	-	207.50	-	-	235.92
Current financial liabilities - Borrowings	-	-	3,474.34	-	-	1,325.70
Current financial liabilities - Trade payables	-	-	2,979.19	-	-	3,996.02
Current financial liabilities - Other	-	-	926.18	-	-	1,204.10
<b>Total</b>	<b>-</b>	<b>-</b>	<b>7,587.20</b>	<b>-</b>	<b>-</b>	<b>6,761.74</b>

## ii. Fair Value Measurements

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Company has established the fair value hierarchy that categorises the values into 3 levels. For the inputs to valuation techniques used to measure fair value of financial instruments refer Note No. 2.3(b)

### Assets and liabilities measured at fair value:

(₹ in Lacs)

Particulars	March 31, 2022			March 31, 2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial Assets</b>						
<b>Financial Investments which are measured at FVTPL</b>						
Investments	-	-	-	-	-	-
<b>Financial Investments which are measured at FVTOCI</b>						
Investments	5.52	-	-	4.11	-	-
<b>Derivatives designated as hedges</b>						
Foreign exchange forward contracts	-	45.84	-	-	202.15	-
<b>Financial Assets which are measured at Amortised Cost</b>						
Non - current financial assets - Investment	-	0.40	-	-	0.40	-
Non - current financial assets - Loans receivables	-	292.47	-	-	291.30	-
Current financial assets - Trade receivables	-	5,913.19	-	-	4,946.35	-
Current financial assets - Cash and cash equivalents	-	25.13	-	-	32.45	-
Current financial assets - Bank Balances other than cash and cash equivalents	-	230.06	-	-	289.96	-
Current financial assets - Loans receivables	-	48.92	-	-	36.19	-
Current financial assets - Others	-	4.10	-	-	6.92	-
<b>Total Financial Assets</b>	<b>5.52</b>	<b>6,560.10</b>	<b>-</b>	<b>4.11</b>	<b>5,805.71</b>	<b>-</b>

# Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

(₹ in Lacs)

Particulars	March 31, 2022			March 31, 2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial Liabilities</b>						
<b>Financial Liabilities which are measured at FVTPL</b>						
Non - current financial liabilities - Borrowings	-	-	-	-	-	-
<b>Financial Liabilities which are measured at Amortised Cost</b>						
Non - current financial liabilities - Borrowings	-	207.50	-	-	235.92	-
Current financial liabilities - Borrowings	-	3,474.34	-	-	1,325.70	-
Current financial liabilities - Trade payables	-	2,979.19	-	-	3,996.02	-
Current financial liabilities - Other	-	926.18	-	-	1,204.10	-
<b>Total Financial Liabilities</b>	<b>-</b>	<b>7,587.20</b>	<b>-</b>	<b>-</b>	<b>6,761.74</b>	<b>-</b>

**Notes:**

There have been no transfers among Level 1, Level 2 and Level 3 during the period.

**Financial Instrument measured at Amortised Cost**

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Management does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

**48 DISCLOSURES PURSUANT TO IND AS 1 "PRESENTATION OF FINANCIAL STATEMENTS"- CAPITAL MANAGEMENT**

Capital includes issued equity capital and share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value.

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Non - current financial liabilities - Borrowings	207.50	235.92
Current financial liabilities - Borrowings	3,474.34	1,325.70
Current financial liabilities - Other - Current maturities of long - term debt	8.57	9.91
Less : cash and cash equivalents	(25.13)	(32.45)
<b>Net debt (A)</b>	<b>3,665.28</b>	<b>1,539.03</b>
Total Equity	37,872.41	24,684.99
<b>Total Capital (B)</b>	<b>37,872.41</b>	<b>24,684.99</b>
<b>Capital and Net Debt C = (A) + (B)</b>	<b>41,537.69</b>	<b>26,222.74</b>
<b>Gearing Ratio (A) / (C)</b>	<b>8.82%</b>	<b>5.87%</b>

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations. The Company monitors capital using gearing ratio, which is total debt divided by total capital plus debt.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

# Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

## **49 DISCLOSURES PURSUANT TO IND AS 107 "FINANCIAL INSTRUMENTS DISCLOSURES" - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company's business activities expose it to a variety of financial risks, namely market risks, credit risk and liquidity risk. The Company's senior management has the overall responsibility for the establishment and oversight of the Company's risk management framework. The top management is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

### **a) Market risk**

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, borrowings, foreign currency receivables and payables.

#### **i) Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates to the Company's long-term debt as well as short-term obligations with floating interest rates.

In order to manage its interest rate risk the Company diversifies its portfolio in accordance with the limits set by the risk management policies.

As an estimation of the approximate impact of the interest rate risk, with respect to financial instruments, the Company has calculated the impact of a 1% change in interest rates. A 1% decrease in interest rates would have led to approximately an additional ₹ 36.68 Lacs gain for year ended March 31, 2022 (₹ 15.12 Lacs gain for year ended March 31, 2021) in Interest expenses. A 1% increase in interest rates would have led to an equal but opposite effect.

Interest rate sensitivity has been calculated assuming the borrowings outstanding at the reporting date have been outstanding for the entire reporting.

#### **ii) Foreign Currency Risk**

Foreign currency risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the borrowings, import of raw materials, exports of Formulations and the Company's net investments in foreign subsidiaries.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure.

The Company evaluates exchange rate exposure arising from foreign currency transactions. The Company follows established risk management policies. It uses derivative instruments like foreign currency forwards to hedge exposure to foreign currency risk.

# Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

## Outstanding foreign currency exposure:

(₹ in Lacs)

	As at March 31, 2022		As at March 31, 2021	
	Foreign Currency Amount	Amount in ₹	Foreign Currency Amount	Amount in ₹
<b>Receivables</b>				
USD	75.94	5,756.43	65.43	4,784.43
EURO	1.15	97.04	1.40	120.29
GBP	2.38	237.13	2.48	250.44
<b>Foreign Currency Bank Account</b>				
USD	0.02	1.52	0.02	1.46
<b>Investments</b>				
HKD	23.19	224.46	23.19	218.37
<b>Payables</b>				
USD	11.93	904.16	28.44	2,079.38
GBP	0.73	73.06	0.15	12.86
EURO	0.22	18.25	1.42	143.15
<b>Borrowings</b>				
USD	16.05	1,216.59	12.86	940.49

## Foreign exchange risk sensitivity:

As an estimation of the approximate impact of the interest rate risk, with respect to financial instruments, the Company has calculated the impact of a 1% change in interest rates. A 1% decrease in interest rates would have led to approximately an additional ₹ 40.98 Lacs net loss for year ended March 31, 2022 (₹ 21.99 Lacs net loss for year ended March 31, 2021) in Interest expenses. A 1% increase in interest rates would have led to an equal but opposite effect.

## Forward Exchange Contracts:

Derivatives for hedging currency, outstanding are as under:

(₹ in Lacs)

Particulars	Purpose	Currency	As at	As at
			March 31, 2022	March 31, 2021
Foreign currency forward contracts	Exports	USD	110.75	96.50
Forward contract value	Exports	₹	8,574.22	7,602.17
Foreign currency forward contracts	Imports	USD	-	-
Forward contract value	Imports	₹	-	-

## iii) Other Price Risk

### Other price risk

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. Other price risk arises from financial assets such as investments in equity instruments. The Company is exposed to price risk arising mainly from investments in equity instruments recognised at FVTOCI. As at March 31, 2022, the carrying value of such equity instruments recognised at FVTOCI amounts to ₹ 5.52 Lacs (March 31, 2021 ₹ 4.11 Lacs). The details of such investments in equity instruments are given in Note 6(a) and 6(b).

# Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

The Company is mainly exposed to change in market rates of its investments in equity investments recognised at FVTOCI. A sensitivity analysis demonstrating the impact of change in market prices of these instruments from the prices existing as at the reporting date is given below:

If the equity prices had been higher / lower by 10% from the market prices existing as at March 31, 2022, Other Comprehensive Income for the year ended March 31, 2022 would increase / decrease by ₹ Nil Lacs (March 31, 2021 ₹ Nil Lacs) with a corresponding increase/decrease in Total Equity of the Company as at March 31, 2021. 10% represents management's assessment of reasonably possible change in equity prices.

## b) Credit Risk

Credit risk arises when a customer or counterparty does not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing / investing activities, including deposits with banks, foreign exchange transactions and financial guarantees. The Company has no significant concentration of credit risk with any counterparty.

### Trade receivables:

Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/ modified.

Total Trade receivable as on March 31, 2022 is ₹ 5,913.19 Lacs (March 31, 2021 ₹ 4,946.35 Lacs). The average credit period on sale of goods is 90 to 180 days. No interest is charged on trade receivables.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on exchange losses historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

The Company has used expected credit loss (ECL) model for assessing the impairment loss. For the purpose, the Company uses a provision matrix to compute the expected credit loss amount. The provision matrix takes into account external and internal risk factors and historical data of credit losses from various customers.

### Movement in the expected credit loss allowance on trade receivables

Particulars	(₹ in Lacs)	
	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>Balance at the beginning of the year</b>	<b>30.89</b>	<b>35.57</b>
Addition	-	-
Write - offs	(15.49)	(4.68)
Recoveries	-	-
<b>Balance at the end of the year</b>	<b>15.40</b>	<b>30.89</b>

# Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

## c) Liquidity Risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions. The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows as at the Balance Sheet date.

Particulars	Carrying amount	Less than 12 months	More than 12 months	Total
<b>As at March 31, 2022</b>				
Non - current financial liabilities - Borrowings	207.50	-	207.50	207.50
Current financial liabilities - Borrowings	3,474.34	3,474.34	-	3,474.34
Current financial liabilities - Trade payables	2,979.19	2,979.19	-	2,979.19
Current financial liabilities - Other	926.18	926.18	-	926.18
<b>As at March 31, 2021</b>				
Non - current financial liabilities - Borrowings	235.92	-	235.92	235.92
Current financial liabilities - Borrowings	1,325.70	1,325.70	-	1,325.70
Current financial liabilities - Trade payables	3,996.02	3,996.02	-	3,996.02
Current financial liabilities - Other	1,204.10	1,204.10	-	1,204.10

## 50 MICRO, SMALL AND MEDIUM ENTERPRISES

(₹ in Lacs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
(a) The principal amount remaining unpaid to any supplier at the end of each accounting year.	72.32	22.75
(b) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year.	-	-
(c) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day.	-	-
(d) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
(e) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Dues to micro, small and medium enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.

# Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

## 51 CORPORATE SOCIAL RESPONSIBILITY

As per section 135 of the Companies Act, 2013, amount required to be spent by the Company during the year ended March 31, 2022 and 2021 is ₹ 41.86 Lacs and ₹ 25.45 Lacs, respectively, computed at 2% of its average net profit for the immediately preceding three financial years, on Corporate Social Responsibility (CSR). The Company incurred an amount of ₹ 40.87 Lacs and ₹ 44.41 Lacs during the year ended March 31, 2022 and 2021, respectively, towards CSR expenditure for purposes other than construction / acquisition of any asset.

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
i) Amount required to be spent by the Company during the year	41.86	25.45
ii) Amount of Expenditure incurred	40.87	44.41
iii) Shortfall at the end of the year	-	-
iv) Total of Previous years Shortfall	-	-
v) Reason for Shortfall		
vi) Nature of CSR Activities	Covid 19 relief projects, Covid 19 Vaccination, Infrastructure Support to hospital, Contribution for Schedule VII Activities, Construction of old age home, Environmental Sustainability, Health Care, Food Distribution for Poor, etc.	
vii) Details of related party transactions, e.g. Contribution to a trust controlled by the Company in relation to CSR expenditure as per relevant Accounting Standard	12.50	24.51
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

## 52 DISAGGREGATION OF REVENUE

The operations of the Company are limited to only one segment viz. pharmaceuticals and related products. Revenue from contract with customers is from sale of manufactured goods and rendering of research services. Sale of goods are made at a point in time and revenue is recognised upon satisfaction of the performance obligations which is typically upon dispatch / delivery. The Company has a credit evaluation policy based on which the credit limits for the trade receivables are established. There is no significant financing component as the credit period provided by the Company is not significant.

### Primary Geographical Markets in respect of revenue from sale of products as recognised in the Statement of Profit and Loss:

(₹ in Lacs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
India	115.80	1,323.20
South Africa	7,919.38	6,313.24
Ethiopia	3,752.73	6,111.29
Tanzania	1,853.42	1,854.12
Chile	1,082.12	-
United Kingdom	626.32	1,398.41
Zambia	292.92	480.38
Rest of World	4,693.54	4,261.91
<b>Total</b>	<b>20,336.22</b>	<b>21,742.55</b>



# Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

## Contract balances

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Receivables	5,913.19	4,946.35

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

## Reconciliation of revenue from sale of products as recognised in the Statement of Profit and Loss with the contracted price:

(₹ in Lacs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Revenue as per contracted price	20,343.89	21,752.02
Less:		
Sales Return	-	8.35
Discount	7.67	1.12
<b>Revenue as per the Statement of Profit and Loss</b>	<b>20,336.22</b>	<b>21,742.55</b>

## Disaggregated revenue recognised in the Statement of Profit and Loss for sale of products:

(₹ in Lacs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Tablet / Capsules / Liquids	20,220.43	20,419.35
Active Pharmaceutical Ingredients	96.21	1,241.87
Others	19.58	81.32
<b>Total</b>	<b>20,336.22</b>	<b>21,742.55</b>

## Information about major customers:

More than 10% of the Revenues is from two customers aggregating to 5,711.97 Lacs representing approximately 28.09% of the Company's revenue from operations from sale of products, for the year ended March 31, 2022.

More than 10% of the Revenues is from two customers aggregating to 5,934.43 Lacs representing approximately 27.29% of the Company's revenue from operations from sale of products, for the year ended March 31, 2021.

- 53** During the year, on January 12, 2022, the Company has allotted 49,59,999 equity shares of face value ₹ 10/- each at a price of ₹ 255/- per equity share (including premium of ₹ 245/- per equity share) aggregating to ₹ 12,648.00 Lacs on preferential basis under chapter V of SEBI (Issue of capital and Disclosure Requirements) Regulations, 2018 as amended and other applicable provisions of the Companies Act, 2013 and relevant Rules thereunder. Out of the net proceeds of preferential issue, the Company and its subsidiary Kopran Research Laboratories Limited had utilised ₹ 7,521.59 Lacs upto March 31, 2022 towards purposes specified in the private placement offer letter. The balance amount of proceeds of preferential issue as on March 31, 2022 is invested in fixed deposits with scheduled commercial banks as interim use of funds.

# Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

- 54** Dividend paid during the year ended March 31, 2022 of ₹ 1.50 per equity share is towards final dividend for the year ended March 31, 2021. Dividend paid during the year ended March 31, 2021 of ₹ 1.50 per equity share is towards interim dividend for the year ended March 31, 2021.

Dividends declared by the Company are based on the profit available for distribution. On May 27, 2022, the Board of Directors of the Company have recommended a dividend of 30% i.e., ₹ 3.00 per equity share of face value of ₹ 10 each for the financial year ended March 31, 2022 subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of approximately ₹ 1,446.32 lakh.

## 55 ANALYTICAL RATIOS

Particulars	Formula	FY 2021-22	FY 2020-21	% Change during the Year	Reason for Change
1. Current Ratio	Current Assets/Current Liabilities	1.98	1.62	22%	
2. Debt-Equity Ratio	Total Debt/Shareholders Equity	0.10	0.06	54%	Increase in borrowings
3. Debt Service Coverage Ratio	Earnings available for Debt Service/Debt Service	0.82	2.47	(67%)	Increase in borrowings
4. Return on Equity	Net Profit after tax/Average Shareholder's Equity	0.04	0.10	(62%)	Increase in equity
5. Inventory Turnover Ratio	Cost of Goods Sold/Average Inventory	3.70	4.01	(8%)	
6. Trade Receivables Turnover Ratio	Net Credit Sales/Average Accounts Receivable	3.77	4.85	(22%)	
7. Trade Payables Turnover Ratio	Net Credit Purchases/Average Trade Payables	3.97	2.98	33%	Increase in purchases and decrease in trade payables
8. Net Capital Turnover Ratio	Net Sales/ Working Capital	2.72	5.24	(48%)	Increase in working capital and marginal decrease in sales
9. Net Profit Ratio	Net Profit/Net Sales	0.08	0.15	(46%)	Decrease in profits
10. Return on Capital Employed	EBIT/Capital Employed	0.05	0.14	(67%)	Increase in capital employed and decrease in profits
11. Return on Investment	Income generated investment / Investments	-	-	-	

- 56** The Code on Social Security, 2020 (Code) relating to employee benefits during employment and post-employment benefits has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. However, the date on which the Code comes into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

# Notes forming part of the Standalone Financial Statements for the year ended March 31, 2022 (Contd.)

## 57 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 to or on behalf of the Ultimate Beneficiaries
- (vi) The Company has not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) 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
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (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.
- (xi) Disclosure pertaining to stock statement filed with bank or financial institutions:

Name of Bank	Quarter	Particulars	Amount as per books of account	Amount as reported in the quarterly report/ statement	Amount of Difference	Reason for discrepancies
State Bank of India Commercial Branch, Ratnakar Bank Limited and YES Bank Limited	June 30, 2021	Trade Payable	2,107.98	2,211.67	(103.69)	Trade payables of 2 vendors amounting to ₹ 105.17 Lacs considered twice in monthly statement.
		Trade Receivable	2,349.89	2,443.76	(93.87)	Amount received from 1 debtor was accounted after submission of monthly statement to bank as the information of the party was not available.
State Bank of India Commercial Branch, Ratnakar Bank Limited and YES Bank Limited	September 30, 2021	Trade Payable	5,006.45	4,930.92	75.53	Accounting of trade payables for material in transit after submission of stock statement.
		Trade Receivable	3,879.21	3,872.47	6.74	
		Inventories	4,521.48	4,230.84	290.64	Material in transit and lying at jobwork site recorded during quarterly finalisation

# Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2022 (Contd.)

Name of Bank	Quarter	Particulars	Amount as per books of account	Amount as reported in the quarterly report/statement	Amount of Difference	Reason for discrepancies
State Bank of India Commercial Branch, Ratnakar Bank Limited and YES Bank Limited	December 31, 2021	Trade Payable	2,928.95	2,740.70	188.25	Accounting of trade payables for material in transit after submission of stock statement.
		Trade Receivable	5,407.70	5,406.65	1.05	
		Inventories	5,758.60	5,251.40	507.20	Material in transit and lying at jobwork site recorded during quarterly finalisation
State Bank of India Commercial Branch, Ratnakar Bank Limited and YES Bank Limited	March 31, 2022	Trade Payable	2,407.61	2,369.10	38.51	Some invoices received after submission of monthly statement however, accounted for in respective period.
		Trade Receivable	5,881.27	5,889.54	(8.27)	
		Inventories	4,151.25	4,144.08	7.17	

**58** 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

For and on behalf of the Board of Directors

**For Khandelwal Jain & Co**

Chartered Accountants  
Firm Registration No: - 105049W

**SURENDRA SOMANI**  
Executive Vice Chairman  
DIN: 00600860

**SUSHEEL SOMANI**  
Director  
DIN: 00601727

**S. S. SHAH**

Partner  
Membership No: - 033632

**B. K. SONI**  
Chief Financial Officer

**SUNIL SODHANI**  
Company Secretary

Place: Mumbai  
Date : May 27, 2022

# Independent Auditors' Report

To The Members of **Kopran Limited**

## REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

### Opinion

We have audited the accompanying consolidated financial statements of Kopran Limited (hereinafter referred to as "the Holding Company") and its subsidiaries listed in Annexure I (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2022, the Consolidated statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of other auditors on separate / consolidated financial statements and other financial information of the subsidiaries referred to in 'Other Matters' section herein below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, of its consolidated profit and other comprehensive income, the consolidated changes in equity and consolidated cash flows for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in the 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

### Key Audit Matters

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

We have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, the description of audit procedures performed by us and by other auditors, of components not audited by us, as reported and communicated by them and furnished to us by the management, to address the matter, is provided in the above context.

Sr. No.	Key Audit Matter	How scope of the audit addressed the key audit matter
1	<p><b>Evaluation of Provision and Contingent Liabilities</b></p> <p>As at the Balance Sheet date, the Company has significant open litigation and other contingent liabilities as disclosed in note no. 35(a). The assessment of the existence of the present legal or constructive obligation, analysis of the probability or possibility of the related payment require the management to make judgement and estimates in relation to the issues of each matter.</p>	<p>We have reviewed and held discussions with the management to understand their processes to identify new possible obligations and changes in existing obligations for compliance with the requirements of Ind AS 37 on Provisions, Contingent Liabilities and Contingent Assets.</p>

## Independent Auditors' Report (Contd.)

Sr. No.	Key Audit Matter	How scope of the audit addressed the key audit matter
	<p>The management with the help of opinion and advise of its experts have made such judgements and estimates relating to the likelihood of an obligation arising and whether there is a need to recognise a provision or disclose a contingent liability.</p> <p>Due to the level of judgement relating to recognition, valuation and presentation of provision and contingent liabilities, this is considered to be a key audit matter.</p>	<p>We have also discussed with the management significant changes from prior periods and obtained a detailed understanding of these items and assumptions applied. We have held regular meetings with the management and key legal personnel responsible for handling legal matters.</p> <p>In addition, we have reviewed:</p> <ul style="list-style-type: none"> <li>● the details of the proceedings before the relevant authorities including communication from the advocates / experts;</li> <li>● legal advises / opinions obtained by the management, if any, from experts in the field of law on the legal cases;</li> <li>● status of each of the material matters as on the date of the balance sheet.</li> </ul> <p>We have assessed the appropriateness of provisioning based on assumptions made by the management and presentation of the significant contingent liabilities in the financial statements.</p>
2	<p>Valuation of inventory:</p> <p>Inventory comprises of Raw Materials, Finished Goods, Stock in process and Stores and Spares. There is an inherent risk around the accuracy of the valuation of the closing stocks.</p> <p>Inventories are valued at lower of cost and net realisable value. These involve significant management judgement to determine the obsolete or slow-moving items of inventory and to evaluate the realisable values. Further, Amoxicillin Trihydrate is the main raw material for the Company, which is partly imported, and is subject to high price fluctuation risk as well as foreign currency risk.</p> <p>The volatility in the prices of Amoxicillin Trihydrate may significantly impact the valuation of not only Raw material but also other items of inventory.</p> <p>In determining the net realisable value, the management uses data of sales of finished good available which is a management estimate.</p> <p>We have considered this as a key audit matter due to the significance in the amount of inventory and volatility in the prices of Amoxicillin Trihydrate.</p>	<p>We have reviewed the stock records and held discussions with the management with regard to determination of slow moving and obsolete items and valuation of realisable values of such items. We verified arithmetical accuracy of valuation records / reports.</p> <p>For a sample of inventory items, we have verified that the First in First out (FIFO) Method for valuation in case of inventory is appropriate.</p> <p>We have reviewed the price movement of Amoxicillin Trihydrate with respect to cost to the Company.</p> <p>Compared such prices with the recent selling prices. Compared the value of Finished Goods with the last selling prices of the respective product to determine the basis of valuation adopted.</p>

## Independent Auditors' Report (Contd.)

Sr. No.	Key Audit Matter	How scope of the audit addressed the key audit matter
3	<p>Allowance of trade receivables / credit losses:</p> <p>The Trade receivables forms a significant part of the Group's total assets. The estimated allowance of trade receivables / credit losses is identified 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. 52(b) of financial statements, the management reviews and assesses the recoverability of the carrying value of all overdue trade receivables individually by considering the credit history including default or delay in payments, settlement records and subsequent settlements.</p> <p>The Company also considers other related information including credit reports to estimate the probability of default in future.</p> <p>Allowance for doubtful debts 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 / credit losses included:</p> <ul style="list-style-type: none"> <li>● Understanding how allowance for doubtful debts is estimated by the management;</li> <li>● Testing the subsequent settlements of trade receivables, on a sample basis, to the source documents including bank statements and bank-in slips/ remittance advices.</li> <li>● 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.</li> <li>● Computation of allowance for Expected credit losses.</li> </ul>

### Other Information

The Holding 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 and Corporate Governance Report, but does not include the consolidated financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. When we read the annual report, if based on the work we have performed, we conclude that there is a material misstatement therein; we are required to communicate the matter to those charged with governance.

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

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows, of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the each 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the companies or to cease operations, or has no realistic alternative but to do so.

# Independent Auditors' Report (Contd.)

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each entity of the Group.

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the entity has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements / financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements / financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in 'Other Matters' paragraph below.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in the 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



## Independent Auditors' Report (Contd.)

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

### Other Matters

We did not audit the financial statements / financial information of four subsidiaries, whose financial statements / financial information, before consolidated adjustments, reflect total assets of ₹ 42,916.64 Lacs as at March 31, 2022, total revenues of ₹ 28,511.16 Lacs, total comprehensive income (comprising of profit and other comprehensive income) of ₹ 4,639.73 Lacs and net cash inflows amounting to ₹ 500.61 Lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate / consolidated financial statements of such subsidiaries as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the Directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on March 31, 2022 from being appointed as a Director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
  - g) With respect to the matter to be included in the Auditors' Report in accordance with the requirements of Section 197(16) of the Act, as amended:

## Independent Auditors' Report (Contd.)

In our opinion and according to the information and explanation given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiaries which are incorporated in India, to their directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiaries which are incorporated in India, is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the act which are required to be commented upon by us.

- 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements of the subsidiaries, as noted in the 'Other Matters' paragraph above:
- i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Group. Refer Note 35(a) to the consolidated financial statements.
  - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts. Refer Notes 49(a) to the consolidated financial statements in respect of such items as it relates to the Group.
  - iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India. Refer Notes 49(b) to the consolidated financial statements in respect of such items as it relates to the Group.
  - iv (a) The respective Management of the Holding Company and its subsidiary companies, which are incorporated in India, whose Financial Statements have been audited under the Act, have represented to us and to the other Auditors of such subsidiary companies that, to the best of their 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 kind of funds) by the Holding Company or its subsidiary companies to or in any other person or entity, including foreign entities (Intermediaries), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (Ultimate Beneficiaries) by or on behalf of the Company or its subsidiary companies or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (b) The respective Management of the Holding Company and its subsidiary companies, which are incorporated in India, whose Financial Statements have been audited under the Act, have represented to us and to the other Auditors of such subsidiary companies that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or its subsidiary companies from any person or entity, including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (Ultimate Beneficiary) by or on behalf of the Funding Party or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances performed by us and those performed by the Auditors of the subsidiary companies, which are incorporated in India, whose Financial Statements have been audited under the Act, nothing has come to our or other Auditor's notice that has caused us or the other Auditors to believe that the representations under Sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
  - v) As stated in Note No. 58 to the consolidated financial statements
    - a) The final dividend proposed in the previous year, declared and paid by the Holding Company during the year is in accordance with section 123 of the Act, as applicable.

## Independent Auditors' Report (Contd.)

- b) The interim dividend declared and paid by the Holding Company during the previous year is in compliance with Section 123 of the Act.
- c) The Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act, as applicable.

**For Khandelwal Jain & Co.**

Chartered Accountants,  
Firm Registration No.: 105049W

**(S. S. Shah)**

Partner  
Membership No.: 033632  
UDIN: 22033632AJSYDQ2568

Place: Mumbai

Date: May 27, 2022

**ANNEXURE I: LIST OF ENTITIES CONSOLIDATED AS AT MARCH 31, 2022**

Sr. No.	Name of the subsidiary
1	Kopran Research Laboratories Limited
2	Kopran Lifesciences Limited
3	Kopran (H. K) Limited
4	Kopran (UK) Limited

# Annexure "A" to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of Koprana Limited on the consolidated financial statements for the year ended March 31, 2022)

We report that:

**Clause (xxi) of the Companies (Auditor's Report) Order, 2020 (CARO):**

In our opinion and according to the information and explanations given to us, there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the companies incorporated in India and included in the consolidated financial statements.

**For Khandelwal Jain & Co.**

Chartered Accountants,  
Firm Registration No.: 105049W

**(S. S. Shah)**

Partner  
Membership No.: 033632  
UDIN: 22033632AJSYDQ2568

Place: Mumbai  
Date: May 27, 2022

## Annexure B to the Independent Auditor's Report

(Referred to in paragraph B(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of Kopran Limited on the consolidated financial statements for the year ended March 31, 2022)

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

In conjunction with our audit of the consolidated financial statements of Kopran Limited (hereinafter referred to as "the Holding Company") as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting with reference to consolidated financial statements of the Holding Company and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, as of that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditor's Responsibility**

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

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

We believe that the audit evidence we and the statutory auditors of the subsidiaries incorporated in India, have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial control system over financial reporting with reference to these consolidated financial statements of the Holding Company and its subsidiaries which are incorporated in India.

#### **Meaning of Internal Financial Controls with reference to consolidated Financial Statements**

A Company's internal financial control with reference to the consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation

## Annexure B to the Independent Auditor's Report (Contd.)

of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting with reference to these consolidated financial statements:**

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

### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors, as referred to in Other Matters paragraph below, the Holding Company and its subsidiaries, which are companies incorporated in India have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2022, based on the internal financial control over financial reporting criteria established by the Holding Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **Other Matters:**

Our report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company, in so far as it relates to separate / consolidated financial statements of 2 subsidiaries, which are companies incorporated in India, is based on the respective reports of the auditors of such subsidiaries incorporated in India.

### **For Khandelwal Jain & Co.**

Chartered Accountants,  
Firm Registration No.: 105049W

### **(S. S. Shah)**

Partner  
Membership No.: 033632  
UDIN: 22033632AJSYDQ2568

Place: Mumbai  
Date: May 27, 2022

# Consolidated Balance Sheet

as at March 31, 2022

(₹ in Lacs)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>1. Non - current assets</b>			
Property, Plant and Equipment	4	14,800.65	10,927.04
Capital work-in-progress		2,753.95	3,708.73
Goodwill		0.58	0.58
Intangible assets	5	267.43	291.85
Intangible assets under development		800.76	580.17
<b>Financial assets</b>			
Investments	6	5.93	4.51
Others	7	383.42	379.81
Other non - current assets	8	588.52	350.67
<b>Total non - current assets</b>		<b>19,601.24</b>	<b>16,243.36</b>
<b>2. Current assets</b>			
Inventories	9	14,993.96	10,000.36
<b>Financial assets</b>			
Trade receivables	10	12,736.33	12,007.85
Cash and cash equivalents	11	586.83	93.53
Bank balances other than cash and cash equivalents above	12	5,126.29	596.28
Others	13	61.66	46.93
Other financial assets	14	98.95	331.76
Current tax assets (net)	15	23.86	38.04
Other current assets	16	7,859.59	4,580.17
<b>Total current assets</b>		<b>41,487.49</b>	<b>27,694.92</b>
<b>Total Assets</b>		<b>61,088.71</b>	<b>43,938.28</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	17	4,821.06	4,325.16
Other equity	18	37,795.83	20,177.88
<b>Total Equity</b>		<b>42,616.89</b>	<b>24,503.04</b>
<b>LIABILITIES</b>			
<b>1. Non - current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	19	1,877.03	2,121.22
Provisions	20	808.99	746.84
Deferred tax liabilities (net)	21	627.24	498.75
<b>Total non - current liabilities</b>		<b>3,313.26</b>	<b>3,366.81</b>
<b>2. Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	22	5,371.39	4,308.27
Trade payables			
a) total outstanding dues of micro enterprises and small enterprises	23	185.44	127.26
b) total outstanding dues of creditors other than micro enterprises and small enterprises	23	6,044.72	8,464.21
Other financial liabilities	24	2,832.93	2,547.82
Other current liabilities	25	307.22	337.19
Provisions	26	98.42	72.46
Current tax liabilities (net)	27	318.44	211.22
<b>Total current liabilities</b>		<b>15,158.56</b>	<b>16,068.43</b>
<b>Total Equity and Liabilities</b>		<b>61,088.71</b>	<b>43,938.28</b>
<b>Corporate Information</b>	<b>1</b>		
<b>Significant Accounting Policies</b>	<b>2</b>		
<b>Notes forming part of the Consolidated Financial Statements</b>	<b>3 to 62</b>		

As per our report of even date

For and on behalf of the Board of Directors

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

**SURENDRA SOMANI**  
Executive Vice Chairman  
DIN: 00600860

**SUSHEEL SOMANI**  
Director  
DIN: 00601727

**S. S. SHAH**  
Partner  
Membership No: - 033632

**B. K. SONI**  
Chief Financial Officer

**SUNIL SODHANI**  
Company Secretary

Place: Mumbai  
Date : May 27, 2022

# Consolidated Statement of Profit and Loss

for the Year Ended March 31, 2022

Particulars	Note No.	(₹ in Lacs)	
		Year Ended March 31, 2022	Year Ended March 31, 2021
<b>INCOME</b>			
Revenue from operations	28	47,752.10	49,181.35
Other income	29	1,060.49	1,798.68
<b>Total Income</b>		<b>48,812.59</b>	<b>50,980.03</b>
<b>EXPENSES</b>			
Cost of materials consumed	30	29,733.45	26,544.79
Purchases of stock-in-trade		323.26	2,082.28
Changes in inventories of finished goods and work-in-progress	31	(2,919.07)	1,552.20
Employee benefits expense	32	4,326.69	3,715.66
Finance costs	33	511.73	623.88
Depreciation and amortisation expense	4 & 5	1,110.05	1,019.18
Other expenses	34	7,548.40	7,108.44
<b>Total Expenses</b>		<b>40,634.51</b>	<b>42,646.43</b>
<b>Profit before exceptional items and tax</b>		<b>8,178.08</b>	<b>8,333.60</b>
Exceptional items (net)		-	-
<b>Profit before tax</b>		<b>8,178.08</b>	<b>8,333.60</b>
<b>Tax Expense</b>	47		
(1) Current Tax		1,948.37	1,830.37
(2) Deferred Tax		126.59	342.61
(3) Taxation adjustment of earlier years		-	-
<b>Total tax expense</b>		<b>2,074.96</b>	<b>2,172.98</b>
<b>Profit for the Year</b>		<b>6,103.12</b>	<b>6,160.62</b>
<b>Other Comprehensive Income for the Year</b>			
<b>(i) Items that will not be reclassified subsequently to profit or loss</b>			
a) Net changes in Fair value of investments in equity shares carried at fair value through OCI [(expenses) / income]		1.68	2.22
Income tax effect on Net changes in Fair value of investments in equity shares carried at fair value through OCI [credit / (charge)]		(0.33)	(0.42)
b) Remeasurement of defined employee benefit plans [(expenses) / write back]		6.20	38.02
Income tax effect on Remeasurement of defined employee benefit plans [credit / (charge)]		(1.59)	(10.58)
ii) a) Items that will be reclassified to profit or loss			
Exchange difference in translating the financial statements of foreign operation		6.00	(6.47)
b) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Total Other Comprehensive Income for the year</b>		<b>11.96</b>	<b>22.77</b>
<b>Total Comprehensive Income For The Year</b>		<b>6,115.08</b>	<b>6,183.39</b>
<b>Profit for the year attributable to</b>			
Owner of the Company		6,103.12	6,160.62
Non - Controlling Interest		-	-
<b>Other Comprehensive Income for the year attributable to</b>			
Owner of the Company		11.96	22.77
Non - Controlling Interest		-	-
<b>Total Other Comprehensive Income for the year attributable to</b>			
Owner of the Company		6,115.08	6,183.39
Non - Controlling Interest		-	-
<b>Earnings per equity share (₹)</b>			
Basic and Diluted-Par value of ₹ 10/- per share	36	13.77	14.24
<b>Corporate Information</b>	<b>1</b>		
<b>Significant Accounting Policies</b>	<b>2</b>		
<b>Notes forming part of the Consolidated Financial Statements</b>	<b>3 to 62</b>		

As per our report of even date

**For Khandelwal Jain & Co**

Chartered Accountants  
Firm Registration No: - 105049W

**S. S. SHAH**

Partner  
Membership No: - 033632

Place: Mumbai  
Date : May 27, 2022

For and on behalf of the Board of Directors

**SURENDRA SOMANI**  
Executive Vice Chairman  
DIN: 00600860

**B. K. SONI**  
Chief Financial Officer

**SUSHEEL SOMANI**  
Director  
DIN: 00601727

**SUNIL SODHANI**  
Company Secretary



# Consolidated Statement of Changes in Equity

for the Year Ended March 31, 2022

## A) EQUITY SHARE CAPITAL

Particulars	Amount	(₹ in Lacs)
<b>As at March 31, 2020</b>	4,324.89	
Changes in Equity Share Capital due to prior period errors	-	
<b>Restated balance at the beginning of the current reporting period</b>	<b>4,324.89</b>	<b>(a)</b>
Changes in equity share capital during the year		
Add: Calls in arrears	0.37	<b>(b)</b>
Less: Forfeited Equity Shares	(0.20)	<b>(c)</b>
<b>As at March 31, 2021</b>		
Fully paid up equity share capital	4,325.06	<b>(d)=(a+b+c)</b>
Forfeited Equity Shares paid up value	0.10	<b>(e)</b>
Total Equity Share Capital	<b>4,325.16</b>	<b>(d+e)</b>
Changes in Equity Share Capital due to prior period errors	-	
<b>Restated balance at the beginning of the Previous reporting period</b>	<b>4,325.16</b>	
Changes in equity share capital during the year		
Add: Equity shares issued	496.00	
Less: Forfeited Equity Shares paid up value*	(0.10)	
<b>As at March 31, 2022</b>	<b>4,821.06</b>	

## B) OTHER EQUITY

Particulars	Reserve and Surplus				Other Comprehensive Income			Total	
	Capital Reserve	General Reserve	Securities Premium	Export allowance reserve	Retained Earnings	Equity Instruments through OCI	Foreign exchange fluctuation reserve		Remeasurements of net defined benefit plans
<b>As at April 1, 2020</b>	1,484.74	814.21	12,226.95	0.40	(68.68)	(0.18)	125.77	59.90	14,643.11
Profit for the year	-	-	-	-	6,160.60	-	(6.47)	-	6,154.13
Dividend Paid**	-	-	-	-	(648.77)	-	-	-	(648.77)
Securities Premium Received	-	-	0.17	-	-	-	-	-	0.17
Other comprehensive income for the year	-	-	-	-	-	1.80	-	27.44	29.24
<b>As at March 31, 2021</b>	1,484.74	814.21	12,227.12	0.40	5,443.15	1.62	119.30	87.34	20,177.88
Profit for the year	-	-	-	-	6,103.12	-	6.00	-	6,109.12
Dividend Paid**	-	-	-	-	(648.76)	-	-	-	(648.76)
Forfeited Equity Shares paid up value*	0.10	-	-	-	-	-	-	-	0.10
Securities Premium Received	-	-	12,152.00	-	-	-	-	-	12,152.00
Realised Gain/Loss on Equity FVTOCI transferred to Retained Earnings	-	-	-	-	0.22	(0.22)	-	-	-
Share Issue Expenses	-	-	-	-	(0.50)	1.38	-	4.61	(0.50)
Other comprehensive income for the year	-	-	-	-	-	-	-	-	5.99
<b>As at March 31, 2022</b>	1,484.84	814.21	24,379.12	0.40	10,897.23	2.78	125.30	91.95	37,795.83

\* Refer Note No. 17(i)

\*\* Refer Note No. 58

# Consolidated Statement of Changes in Equity

for the Year Ended March 31, 2022

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

**a) Foreign Currency Translation Reserve:**

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. ₹) are recognised directly to retained earnings and accumulated in foreign currency translation reserve.

**b) Capital Reserve:**

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

**c) General Reserve:**

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

**d) Securities Premium:**

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

**e) Retained Earnings:**

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

**f) Equity Instruments through OCI:**

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

**Corporate Information**

**Significant Accounting Policies**

**Notes forming part of the Consolidated Financial Statements**

**1**

**2**

**3 to 62**

As per our report of even date

For and on behalf of the Board of Directors

**For Khandelwal Jain & Co**

Chartered Accountants

Firm Registration No: - 105049W

**SURENDRA SOMANI**

Executive Vice Chairman

DIN: 00600860

**SUSHEEL SOMANI**

Director

DIN: 00601727

**S. S. SHAH**

Partner

Membership No: - 033632

Place: Mumbai

Date : May 27, 2022

**SUNIL SODHANI**

Company Secretary

**B. K. SONI**

Chief Financial Officer

# Consolidated Statement of Cash Flows

for the Year Ended March 31, 2022

Finance cost		(₹ in Lacs)	
Particulars		Year Ended March 31, 2022	Year Ended March 31, 2021
<b>Cash flows from operating activities</b>			
<b>Profit before exceptional items and tax</b>		8,178.08	8,333.60
<b>Adjustments for:</b>			
Depreciation and Amortisation Expense		1,110.05	1,019.18
Amortisation of premium on operating lease		1.54	1.55
Dividend income		(0.07)	-
Finance cost		511.44	623.88
Interest income		(132.47)	(29.33)
Unrealised foreign exchange (gain) / loss (net)		(72.75)	(112.67)
Loss on sale of Fixed Assets		1.23	6.53
Loss on sale of Shares		0.22	-
Provision / write off for expected credit loss / trade receivables / advances (net)		31.16	139.19
Liabilities written back (net)		(68.19)	(4.26)
<b>Operating profit before working capital changes</b>		<b>9,560.24</b>	<b>9,977.67</b>
<b>Movements in working capital</b>			
Increase in inventories		(4,993.60)	(1,150.70)
Decrease / (increase) in trade receivables		(438.19)	(2,710.91)
Increase in Loans receivables		(14.00)	11.94
Increase in other current / non-current assets		(3,502.28)	(1,157.39)
Increase / (Decrease) in trade payables		(2,557.77)	3,140.98
Increase in provisions		94.31	64.98
(Decrease) / Increase in other financial liabilities		354.90	(152.18)
(Decrease) / Increase in other current liabilities		(29.97)	(419.52)
Effects of exchange fluctuation reserve		5.81	(6.47)
<b>Cash generated from operations</b>		<b>(1,520.55)</b>	<b>7,598.39</b>
Direct taxes paid (Net of refunds)		(1,826.96)	(1,603.26)
<b>Net cash flow from operating activities</b>	<b>(A)</b>	<b>(3,347.51)</b>	<b>5,995.13</b>
<b>Cash flows (used in) / from investing activities</b>			
Purchase of fixed assets, including capital work-in-progress		(3,958.72)	(2,361.91)
Purchase of intangibles including Intangible assets under development		(268.47)	(79.50)
Proceeds from sale of fixed assets		1.10	46.50
(Decrease) / Increase in Creditors for capital goods		(29.94)	457.51
Decrease in Capital Advance		(16.51)	(88.29)
Proceeds from Non Current Investments		0.05	-
Bank Balances Other than Cash and Cash Equivalents above		(4,530.02)	(205.12)
Decrease / (increase) in other financial assets		228.44	(326.44)
Dividend Income		0.07	-
Interest Income		132.47	29.33

# Consolidated Statement of Cash Flows

for the Year Ended March 31, 2022

Finance cost		(₹ in Lacs)	
Particulars		Year Ended March 31, 2022	Year Ended March 31, 2021
<b>Net cash flow used in investing activities</b>	<b>(B)</b>	<b>(8,441.53)</b>	<b>(2,527.92)</b>
<b>Cash flows (used in) / from financing activities</b>			
Repayment of long-term borrowings (Net)		(213.77)	18.31
Inter corporate deposits(Net)		(30.42)	(1,339.86)
Repayment of short-term borrowings (Net)		1,047.94	(45.57)
Current maturities of long-term debt		(1.34)	(820.64)
Dividend Paid		(648.76)	(648.77)
Proceeds from Issue of Share Capital		12,648.00	0.23
Share Issue Expenses		(0.50)	-
Interest accrued		(7.37)	3.05
Interest paid		(511.44)	(623.88)
<b>Net cash flow used in financing activities</b>	<b>(C)</b>	<b>12,282.34</b>	<b>(3,457.13)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(A+B+C)</b>	<b>493.30</b>	<b>10.08</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>93.53</b>	<b>83.45</b>
<b>Effect of exchange rate changes on Cash and cash equivalents</b>		<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at the end of the year (Refer Note No. 11)</b>		<b>586.83</b>	<b>93.53</b>

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

<b>Corporate Information</b>	<b>1</b>
<b>Significant Accounting Policies</b>	<b>2</b>
<b>Notes forming part of the Consolidated Financial Statements</b>	<b>3 to 62</b>

As per our report of even date

For and on behalf of the board of Directors of Kopran Limited

**For Khandelwal Jain & Co**

Chartered Accountants  
Firm Registration No: - 105049W

**SURENDRA SOMANI**  
Executive Vice Chairman  
DIN: 00600860

**SUSHEEL SOMANI**  
Director  
DIN: 00601727

**S. S. SHAH**

Partner  
Membership No: - 033632

**B. K. SONI**  
Chief Financial Officer

**SUNIL SODHANI**  
Company Secretary

Place: Mumbai  
Date : May 27, 2022

# Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

## 1 CORPORATE INFORMATION

Kopran Limited (referred to as "KL" or "the Holding Company") is a public Company domiciled in India and is incorporated under the provisions of the Companies Act, 1956 applicable in India. Its shares are listed on BSE and NSE in India.

The Holding Company and its subsidiaries are engaged in the business of manufacturing of Formulation (Finished Dosage Form) and Active Pharmaceutical Ingredients (API).

The Holding Company, its subsidiaries, associate and joint venture together referred as "the Company" or "the Group".

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

The financial statements were authorised for issue by the board of directors on May 27, 2022.

## 2 SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation

#### Compliance with Ind AS

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

#### Historical Cost Convention

The consolidated financial statements have been prepared on the historical cost basis except for the followings:

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

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

The consolidated financial statements are presented in Indian Rupees (which is the functional currency of the Holding Company) in Lacs and all values are rounded to the nearest in two decimal point except where otherwise stated.

#### Principles of Consolidation

The consolidated financial statements relate to Kopran Limited ('the Company') and its subsidiary companies, associates and joint ventures. The consolidated financial statements have been prepared on the following basis:

The financial statements of the Company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.

Profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and property, plant & equipment, are eliminated in full.

In case of foreign subsidiaries, revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Foreign Currency Translation Reserve.

Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as on the date of disposal is recognised in the Consolidated Statement of Profit and Loss being the profit or loss on disposal of investment in subsidiary.

# Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

Non Controlling Interest's share of profit / loss of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Group.

Non Controlling Interest's share of net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet separate from liabilities and the equity of the Group's shareholders.

Investment in Associates and Joint Ventures has been accounted under the equity method as per Ind AS 28 - Investments in Associates and Joint Ventures.

The Group accounts for its share of post acquisition changes in net assets of associates and joint ventures, after eliminating unrealised profits and losses resulting from transactions between the Group and its associates to the extent of its share, through its Consolidated Statement of Profit and Loss, to the extent such change is attributable to the associates' Statement of Profit and Loss and through its reserves for the balance based on available information.

## 2.2 Current/non current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

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

## 2.3 Summary of significant accounting policies

### (a) Foreign currency translation

#### (i) Functional and presentation currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian rupee (₹), which is groups'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.

# Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

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.

### (iii) Foreign operations

For the purposes of presenting these consolidated financial statements, the assets and liabilities of Group's foreign operations, are translated to the Indian Rupees at exchange rates at the end of each reporting period. The income and expenses of such foreign operations are translated at the average exchange rates for the period. Resulting foreign currency differences are recognised to retained earnings and presented within equity as part of Foreign Currency Translation Reserve.

### (b) Fair value measurement

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

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

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

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

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

The Group categorises 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.

# Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

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 Group has elected to continue with the carrying value of its Property, Plant and Equipment (PPE) recognised as of April 1, 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.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised 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 recognised in profit or loss as incurred.

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

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

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

An item of PPE is de-recognised 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 recognised in the Statement of Profit and Loss when the asset is derecognised.

Expenditure directly relating to construction activity is capitalised. Indirect expenditure incurred during construction period is capitalised 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), amortisation has been provided for on Straight Line Method over the period of lease.

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



# Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

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

## **(e) Goodwill and Other Intangible assets**

For transition to Ind AS, the Group has elected to continue with the carrying value of intangible assets recognised as of April 1, 2016 (transition date) measured as per the Previous GAAP and use that carrying value as its deemed cost as on the transition date.

### **Goodwill**

Goodwill represents the excess of consideration transferred, together with the amount of non-controlling interest in the acquiree, over the fair value of the Group's share of identifiable net assets acquired. Goodwill is measured at cost less accumulated impairment losses. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. The goodwill acquired in a business combination is, for the purpose of impairment testing, allocated to cash generating units that are expected to benefit from the synergies of the combination. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of a cash-generating unit to which goodwill is allocated, the goodwill associated with the disposed cash generating unit is included in the carrying amount of the cash generating unit when determining the gain or loss on disposal.

### **Other intangible assets**

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

### **Computer software**

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

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

An intangible asset is derecognised 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 recognised in the Statement of Profit and Loss when the asset is derecognised.

# Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

## **Research and development expenditure**

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss unless a product's technical feasibility has been established, in which case such expenditure is capitalised.

Development expenditure on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale.
- Its intention to complete and its ability and intention to use or sell the asset.
- How the asset will generate future economic benefits.
- The availability of resources to complete the asset.
- The ability to measure reliably the expenditure during development.

The amount capitalised comprise of expenditure that can be directly attributed or allocated on a reasonable and consistent basis for creating, producing and making the asset ready for its intended use.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised on a straight-line basis over the period of expected future benefit from the related project, i.e., the estimated useful life. Amortisation is recognised in the Statement of Profit and Loss. During the period of development, the asset is tested for impairment annually.

## **Amortisation methods and periods**

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

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

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

## **(f) Impairment of non financial assets**

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

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

Impairment losses of continuing operations, including impairment on inventories, are recognised 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 recognised 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 recognised. The reversal is limited to the carrying amount of the asset.

# Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

## **(g) Leases**

### **(i) As a lessee**

The Company assesses whether a contract contains a lease, at the inception of contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assesses whether a contract conveys the right to control use of an identified asset, the Company assesses whether:

- The contract involves use of an identified asset;
- The Company has substantially all the economic benefits from the use of the asset through the period of lease; and
- The Company has the right to direct the use of an asset.

At the date of commencement of lease, the Company recognises a Right-of-use asset ("ROU") and a corresponding liability for all lease arrangements in which it is a lessee, except for leases with the term of twelve months or less (short term leases) and low value leases. For short term and low value leases, the Company recognises the lease payment as an operating expense on straight line basis over the term of lease.

Certain lease agreements include an option to extend or terminate the lease before the end of lease term. ROU assets and the lease liabilities includes these options when it is reasonably certain that they will be exercised.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e., higher of fair value less cost to sell and the value-in-use) is determined on individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate explicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right-of- use assets if the Company changes its assessment if whether it will exercise an extension or a termination of option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and the lease payments have been classified as financing cash flows.

### **(ii) As a lessor**

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

## **(h) Inventories**

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

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

# Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

## (i) Revenue recognition

The Group has adopted Ind AS 115 standard effective April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is insignificant.

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

Revenue is measured based on the transaction price, which is the consideration, adjusted for trade discounts such as price concessions, volume discounts, or any other price concessions as may be agreed with the 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 amortised cost, is recognised using the effective interest rate method.

## (iv) Dividend income

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

## (j) Income Taxes

### (i) Current income tax

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

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

### (ii) Deferred tax

Deferred income tax is recognised using the balance sheet approach, deferred tax is recognised on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognised 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 utilised.

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 utilised.

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

# Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

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

### (iii) Minimum Alternate Tax (MAT)

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

### (k) Financial Instruments

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

#### Financial assets

##### Initial Recognition

All financial assets are recognised 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 recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

##### Subsequent measurement

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

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

#### (i) Debt instruments at amortised cost

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

- the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### (ii) Debt instrument at FVTOCI

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

- the objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### (iii) Debt instrument at FVTPL

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

# Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

## **(iv) Equity instruments measured at FVTOCI**

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

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

## **(v) Cash and Cash equivalents**

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

### **De-recognition**

A financial asset is de-recognised only when

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

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

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

### **Impairment of financial assets**

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

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

### **Financial liabilities**

#### **Classification as debt or equity**

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

#### **Equity instruments**

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

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

#### **Initial recognition and measurement**

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

# Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

## **Subsequent measurement**

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

### **(i) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting year. They are recognised 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 amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation 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 derecognised when the obligation under the liability is discharged or cancelled or expires.

## **Embedded derivatives**

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

## **Reclassification of financial assets**

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

## **Derivative financial instruments and hedge accounting**

### **Initial recognition and subsequent measurement**

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

# Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

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

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

**(i) Fair value hedges**

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

**(ii) Cash flow hedges**

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

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

**(I) Convertible financial instrument**

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

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

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



# Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

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 Group operates the following post-employment schemes:

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

#### **Gratuity obligations**

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

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

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

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

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

#### **Defined contribution plans**

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

# Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

## **(iv) Termination benefits**

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

## **(n) Provisions, Contingent Liabilities and Contingent Assets**

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

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

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

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

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

## **(o) Borrowing costs**

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

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

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

## **(p) Segment Reporting - Identification of Segments**

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

## **(q) Earnings per share**

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

## **(r) Cash and cash equivalents**

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

# Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

## **(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 Group are segregated.

## **(t) Dividends**

The Group recognises a liability to make dividend distributions to equity holders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

## **(u) Significant accounting judgements, estimates and assumptions**

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

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

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

### **(i) Impairment of non - financial assets**

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

### **(ii) Useful lives of property, plant and equipment**

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

### **(iii) Valuation of deferred tax assets**

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

### **(iv) Defined benefit plans**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using Projected Unit Credit method with actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation

# Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

## **(v) Provisions and contingent liabilities**

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

## **(vi) Fair value measurement**

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

### **3 RECENT PRONOUNCEMENTS**

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

- a) **Ind AS 103 – Reference to Conceptual Framework** The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact in its financial statements.
- b) **Ind AS 16 – Proceeds before intended use** The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.
- c) **Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract** The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact in its financial statements.
- d) **Ind AS 109 – Annual Improvements to Ind AS (2021)** The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Group does not expect the amendment to have any significant impact in its financial statements.
- e) **Ind AS 106 – Annual Improvements to Ind AS (2021)** The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Group does not expect the amendment to have any significant impact in its financial statements.

# Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

## 4. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lacs)

Particulars	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Computer	R & D Equipment	Total
<b>Gross Amount</b>									
<b>As At April 1, 2020</b>	444.61	3,045.90	10,603.57	177.48	174.12	37.36	113.90	4.08	14,601.02
Additions	-	146.96	667.02	5.95	-	3.45	16.50	-	839.88
Adjustments *	-	-	(1.43)	(0.54)	-	-	-	-	(1.97)
<b>Disposals/Transfer</b>	-	-	75.04	-	-	-	-	-	75.04
<b>As At March 31, 2021</b>	444.61	3,192.86	11,194.12	182.89	174.12	40.81	130.40	4.08	15,363.89
Additions	-	960.63	3,874.93	14.21	27.70	1.52	34.51	-	4,913.50
Adjustments *	-	-	(1.43)	(0.54)	-	-	-	-	(1.97)
Disposals/Transfer	-	-	-	-	9.54	-	-	-	9.54
<b>As At March 31, 2022</b>	444.61	4,153.49	15,067.62	196.56	192.28	42.33	164.91	4.08	20,265.88
<b>Accumulated depreciation and impairment</b>									
<b>As At April 1, 2020</b>	-	370.56	2,893.45	69.39	80.64	20.29	67.76	1.68	3,503.77
Additions	-	117.88	771.18	16.82	24.02	6.35	20.36	0.17	956.78
Adjustments *	-	-	(1.15)	(0.54)	-	-	-	-	(1.69)
Disposals/Transfer	-	-	22.01	-	-	-	-	-	22.01
<b>As At March 31, 2021</b>	-	488.44	3,641.47	85.67	104.66	26.64	88.12	1.85	4,436.85
Additions	-	124.13	847.26	17.44	23.66	4.99	19.65	0.17	1,037.29
Adjustments *	-	-	(1.15)	(0.54)	-	-	-	-	(1.70)
Disposals/Transfer	-	-	-	-	7.21	-	-	-	7.21
<b>As At March 31, 2022</b>	-	612.57	4,487.58	102.57	121.11	31.63	107.77	2.02	5,465.23
<b>Net Carrying Amount</b>									
<b>As At March 31, 2021</b>	444.61	2,704.42	7,552.65	97.22	69.46	14.17	42.28	2.23	10,927.04
<b>As At March 31, 2022</b>	444.61	3,540.92	10,580.04	94.00	71.17	10.70	57.14	2.06	14,800.65

\* Adjustments represents impact of fluctuation in foreign currency due to translation of fixed assets of foreign subsidiary

### CWIP Ageing Schedule

As At March 31, 2022

(₹ in Lacs)

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	-	-	-	-	-

As on the date of balance sheet, there are no capital work-in-progress projects whose completion is overdue or has exceeded the cost, based on approved plan.

As At March 31, 2021

(₹ in Lacs)

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

As on the date of balance sheet, there are no capital work-in-progress projects whose completion is overdue or has exceeded the cost, based on approved plan.

# Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

## 5. INTANGIBLE ASSETS

(₹ in Lacs)

	Product Development Cost	Intangible Assets- Ticagrelor	Goodwill on consolidation	Total
<b>Gross Amount</b>				
<b>As At April 01, 2020</b>	<b>14.13</b>	<b>15.68</b>	<b>0.58</b>	<b>30.39</b>
Additions/Transfer	336.88	-	-	336.88
Disposals/Transfer	-	-	-	-
<b>As At March 31, 2021</b>	<b>351.01</b>	<b>15.68</b>	<b>0.58</b>	<b>367.27</b>
Additions/Transfer	47.87	-	-	47.87
Disposals/Transfer	-	-	-	-
<b>As At March 31, 2022</b>	<b>398.88</b>	<b>15.68</b>	<b>0.58</b>	<b>415.14</b>
<b>Accumulated amortisation</b>				
<b>As At April 01, 2020</b>	<b>7.51</b>	<b>4.92</b>	-	<b>12.43</b>
Amortisation	59.43	2.98	-	62.41
Disposals/Transfer	-	-	-	-
<b>As At March 31, 2021</b>	<b>66.94</b>	<b>7.90</b>	-	<b>74.84</b>
Amortisation	72.29	-	-	72.29
Disposals/Transfer	-	-	-	-
<b>As At March 31, 2022</b>	<b>139.23</b>	<b>7.90</b>	-	<b>147.13</b>
<b>Net Carrying Amount</b>				
<b>As At March 31, 2021</b>	<b>284.07</b>	<b>7.78</b>	<b>0.58</b>	<b>292.43</b>
<b>As At March 31, 2022</b>	<b>259.65</b>	<b>7.78</b>	<b>0.58</b>	<b>268.01</b>

### Intangible Assets under Development Ageing Schedule

**As At March 31, 2022**

(₹ in Lacs)

Intangible Assets under Development	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	245.19	79.83	113.91	361.83	800.76
Projects temporarily suspended	-	-	-	-	-

As on the date of balance sheet, there are no Intangible Assets under Development projects whose completion is overdue or has exceeded the cost, based on approved plan.

**As At March 31, 2021**

(₹ in Lacs)

Intangible Assets under Development	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	103.45	114.89	227.32	134.51	580.17
Projects temporarily suspended	-	-	-	-	-

As on the date of balance sheet, there are no Intangible Assets under Development projects whose completion is overdue or has exceeded the cost, based on approved plan.

# Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

## 6 NON - CURRENT FINANCIAL ASSETS - INVESTMENT

(₹ in Lacs)

Note No.	Particulars	Face Value per share (in ₹)	As at March 31, 2022	As at March 31, 2021
<b>a)</b>	<b>Investments in Equity Instruments - Quoted - (at fair value through other comprehensive income (FVTOCI))</b>			
	30 shares (March 31, 2020: 30 shares) of Advent Computers Limited.	10.00	-	-
	<b>Sub - Total</b>		<b>-</b>	<b>-</b>
<b>b)</b>	<b>Investments in Equity Instruments - Unquoted - (at fair value through other comprehensive income (FVTOCI))</b>			
	20,000 shares (March 31, 2020: 20,000 shares) of Kapol Co-Op. Bank Limited.	10.00	2.00	2.00
	3,500 shares (March 31, 2020: 1,000 shares) of Saraswat Co-Op. Bank Limited.	10.00	5.53	3.84
	500 shares (March 31, 2020: 500 shares) of the New India Co-Op. Bank Limited.	10.00	-	0.27
	Less: Provision for impairment in value of investments		(2.00)	(2.00)
	<b>Sub - Total</b>		<b>5.53</b>	<b>4.11</b>
<b>c)</b>	<b>Investments in Government securities (non-trade) - (at amortised cost)</b>			
	7 years national savings certificate (lodged with collector of central excise and sales tax authority- Mumbai)		0.40	0.40
	<b>Total - A + B + C</b>		<b>5.93</b>	<b>4.51</b>
	Aggregate amount of quoted Investments		0.24	0.24
	Market value of quoted investments		-	-
	Aggregate amount of unquoted Investments		4.60	4.65
	Aggregate amount of impairment in value of investments		2.00	2.00

## 7 NON - CURRENT FINANCIAL ASSETS - OTHERS

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Unsecured, considered good</b>		
Security Deposits	383.42	379.81
<b>Total</b>	<b>383.42</b>	<b>379.81</b>

## 8 OTHER NON - CURRENT ASSETS

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Considered good</b>		
Capital advances	374.96	205.46
Deduction of Income Tax	60.66	23.53
Premium on Land under operating lease	113.35	114.90
Prepaid expenses	39.55	6.78
<b>Total</b>	<b>588.52</b>	<b>350.67</b>

# Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

## 9 INVENTORIES

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
(Valued at lower of cost or net realisable value)		
Raw materials {Includes stocks in transit ₹ 236.19 Lacs (March 31, 2021: ₹ 271.83 Lacs)}	7,231.12	5,346.33
Work-in-progress	5,587.32	3,503.78
Finished goods	1,385.91	550.38
Stores and spares	221.34	183.60
Packing materials	568.27	416.27
<b>Total</b>	<b>14,993.96</b>	<b>10,000.36</b>

## 10 CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Undisputed Receivable from other parties</b>		
Unsecured, Considered Good	12,730.01	12,013.74
Significant increase in credit risk	13.72	5.20
Credit impaired	37.29	49.12
Less: Expected credit loss	(44.69)	(60.21)
<b>Total</b>	<b>12,736.33</b>	<b>12,007.85</b>

Particulars	Receivable from other parties	Receivable from other parties
<b>Outstanding for following periods from date of Invoice</b>	<b>Unsecured, Considered Good</b>	<b>Unsecured, Considered Good</b>
Less than 6 months	12,651.80	11,687.06
6 months -1 year	27.66	253.53
1-2 years	30.97	51.74
2-3 years	19.58	21.41
More than 3 years	-	-
<b>Total (A)</b>	<b>12,730.01</b>	<b>12,013.74</b>
<b>Outstanding for following periods from date of Invoice</b>	<b>Significant increase in credit risk</b>	<b>Significant increase in credit risk</b>
Less than 6 months	-	-
6 months -1 year	-	-
1-2 years	13.72	5.20
2-3 years	-	-
More than 3 years	-	-
<b>Total (B)</b>	<b>13.72</b>	<b>5.20</b>



# Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Outstanding for following periods from date of Invoice</b>	<b>Credit impaired</b>	<b>Credit impaired</b>
Less than 6 months	-	-
6 months - 1 year	0.85	1.04
1-2 years	8.85	28.28
2-3 years	24.73	13.90
More than 3 years	2.86	5.90
<b>Total</b>	<b>37.29</b>	<b>49.12</b>
	<b>(C)</b>	
	<b>(A+B+C)</b>	
Less: Expected credit loss	(44.69)	(60.21)
	<b>12,736.33</b>	<b>12,007.85</b>

## 11 CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Balances with Banks</b>		
On Current Accounts	570.86	79.31
In Fixed Deposit Accounts (Maturity of less than 3 months)	11.53	11.53
Cash on Hand	4.44	2.69
<b>Total</b>	<b>586.83</b>	<b>93.53</b>

## 12 CURRENT FINANCIAL ASSETS - BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Earmarked balances with banks</b>		
Unpaid Dividend Account	18.29	11.52
<b>Fixed deposits (Held as margin money or security against the guarantees)</b>		
Maturity of less than 3 months	-	75.68
Maturity of more than 3 months & less than 12 months	5,108.00	509.08
<b>Total</b>	<b>5,126.29</b>	<b>596.28</b>

## 13 CURRENT FINANCIAL ASSETS - OTHERS

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Unsecured, considered good</b>		
Security deposits	1.91	1.86
Loans to employees	59.75	45.07
<b>Total</b>	<b>61.66</b>	<b>46.93</b>

## 14 OTHER CURRENT FINANCIAL ASSETS

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Foreign currency forward / option contracts	94.86	324.84
Interest receivable	4.09	6.92
<b>Total</b>	<b>98.95</b>	<b>331.76</b>

# Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

## 15 CURRENT TAX ASSETS (NET)

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Advance income-tax (Net of provision of taxation)	23.86	38.04
<b>Total</b>	<b>23.86</b>	<b>38.04</b>

## 16 OTHER CURRENT ASSETS

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Prepaid Expenses	235.37	135.24
Balance with statutory / government authorities	7,469.60	4,328.86
Others	154.62	116.07
<b>Total</b>	<b>7,859.59</b>	<b>4,580.17</b>

## 17 EQUITY SHARE CAPITAL

(₹ in Lacs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	Amount	Number	Amount
<b>Authorised</b>				
Equity Shares of ₹ 10 each	5,62,50,000	5,625.00	5,62,50,000	5,625.00
Preference Shares of ₹ 10 each	1,37,50,000	1,375.00	1,37,50,000	1,375.00
<b>Total</b>	<b>7,00,00,000</b>	<b>7,000.00</b>	<b>7,00,00,000</b>	<b>7,000.00</b>
<b>Issued</b>				
Equity Shares of ₹ 10 each fully paid up	4,82,10,605	4,821.06	4,32,52,602	4,325.26
<b>Subscribed and Paid up</b>				
Equity Shares of ₹ 10 each fully paid up	4,82,10,605	4,821.06	4,32,50,606	4,325.06
Less: Calls in-Arrears (Other than Director's)	-	-	-	-
Add: Equity Shares forfeited (amount originally paid up)	-	-	1,996	0.10
<b>Total</b>	<b>4,82,12,605</b>	<b>4,821.06</b>	<b>4,32,52,602</b>	<b>4,325.16</b>

### (i) Reconciliation of Number of Equity Shares

(₹ in Lacs)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
	Number of Shares	Number of Shares
Opening Balance	4,32,52,602	4,32,52,602
Add : Shares Issued during the year	49,59,999	-
Less: Shares forfeited *	1,996	-
<b>Closing Balance</b>	<b>4,82,10,605</b>	<b>4,32,50,602</b>

\* The Corporate Affairs Committee, a Board Committee of the Holding Company in its meeting held on February 12, 2021, had forfeited 1,996 partly paid-up Equity Shares of ₹ 10 each as the call amount outstanding at the rate of ₹ 20 per share has (consisting of ₹ 5 towards face value and ₹ 15 towards securities premium) had remained unpaid. The same was disclosed under the head Equity Share Capital. During the year, the management has cancelled the aforesaid forfeited 1996 equity shares aggregating to ₹ 0.10 Lacs as the same shall not be reissued and the same have been transferred to "Capital Reserve" under the head "Other Equity".

# Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

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

### As to voting

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

### As to distribution of dividends

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

### As to repayment of capital

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

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

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

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

(₹ in Lacs)

Name of Shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
<b>Equity Shares of ₹ 10 each fully paid</b>				
Panorama Finvest Pvt Limited.	38,00,000	7.88%	38,00,000	8.79%
Sarvamangal Mercantile Co. Limited.	29,02,951	6.02%	29,02,951	6.71%
Oricon Enterprises Limited.	59,61,758	12.37%	59,61,758	13.78%
Rajendra Somani	23,24,250	4.82%	23,24,250	5.37%

## (v) Details of Shares held by the promoters of the Company

Equity Shares held by Promoters as at March 31, 2022 and March 31, 2021

Promoter name	As at March 31, 2022			As at March 31, 2021		
	No of Shares	% of total Shares	% Change during the Year	No of Shares	% of total Shares	% Change during the Year
<b>Equity Shares of ₹ 10 each fully paid</b>						
Rajendra Somani	23,24,250	4.82%	(10.29%)	23,24,250	5.37%	0.00%
Susheel Somani	8,71,900	1.81%	(10.29%)	8,71,900	2.02%	0.00%
Hridai Susheel Somani	1,16,900	0.24%	(10.29%)	1,16,900	0.27%	0.00%
Mridula Somani	2,28,900	0.47%	(10.29%)	2,28,900	0.53%	0.00%
Surendra Somani	5,03,075	1.04%	(10.29%)	5,03,075	1.16%	0.00%
Jaya Somani	2,58,500	0.54%	(10.29%)	2,58,500	0.60%	0.00%
Adarsh Somani	1,81,250	0.38%	(10.29%)	1,81,250	0.42%	0.00%
Suhrid Somani	93,300	0.19%	(10.29%)	93,300	0.22%	0.00%
Vandana Somani	3,25,200	0.67%	(10.29%)	3,25,200	0.75%	0.00%
Kumkum Somani	35,635	0.07%	(10.29%)	35,635	0.08%	0.00%
Varun Somani	2,72,500	0.57%	(10.29%)	2,72,500	0.63%	0.00%
Nupur Somani	2,70,000	0.56%	(10.29%)	2,70,000	0.62%	0.00%
Debonair Publication Pvt Limited	1,000	0.00%	(10.29%)	1,000	0.00%	0.00%

# Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

Promoter name	As at March 31, 2022			As at March 31, 2021		
	No of Shares	% of total Shares	% Change during the Year	No of Shares	% of total Shares	% Change during the Year
G Claridge & Company Limited	3,42,500	0.71%	(10.29%)	3,42,500	0.79%	0.00%
Oricon Enterprises Limited	62,17,183	12.90%	(7.31%)	60,17,183	13.91%	0.00%
Parijat Shipping and Finale Limited	3,85,209	0.80%	(10.29%)	3,85,209	0.89%	0.00%
Kopran Lifestyle Limited	3,950	0.01%	(10.29%)	3,950	0.01%	0.00%
Sarvamangal Mercantile Co Limited	29,02,951	6.02%	(10.29%)	29,02,951	6.71%	0.00%
United Shippers Limited	22,00,000	4.56%	100.00%	-	0.00%	0.00%
Panorama Finvest Pvt Limited	38,00,000	7.88%	(10.29%)	38,00,000	8.79%	0.00%

## 18 OTHER EQUITY

(₹ In Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Reserves and Surplus</b>		
Capital Reserve	1,484.84	1,484.74
General Reserve	814.21	814.21
Securities Premium	24,379.12	12,227.12
Export Allowance Reserve	0.40	0.40
Retained Earnings	10,897.23	5,443.15
<b>Sub - Total - A</b>	<b>37,575.80</b>	<b>19,969.62</b>
<b>Other Comprehensive Income (OCI)</b>		
Equity Instruments through OCI	2.78	1.62
Foreign exchange fluctuation reserve	125.30	119.30
Remeasurements of net defined benefit plans	91.95	87.34
<b>Sub - Total - B</b>	<b>220.03</b>	<b>208.26</b>
<b>Total - A + B</b>	<b>37,795.83</b>	<b>20,177.88</b>

## 19 NON - CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ In Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Secured</b>		
<b>Term Loans</b>		
From Others - Vehicle loan	15.16	5.50
From Banks	-	27.78
<b>Unsecured</b>		
<b>From Others</b>		
Loan Against Property of Bottle closure - Housing Development finance Corporation Limited	1,661.88	1,857.52
<b>Inter corporate deposits</b>		
Others	200.00	230.42
<b>Total</b>	<b>1,877.03</b>	<b>2,121.22</b>

# Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

## Security, rate of interest and terms of repayment

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

Rate of Interest - 7.73 % p.a. to 9.71% p.a.

Terms of repayment are as under:

March 31, 2023 - ₹ 8.57 Lacs

March 31, 2024 - ₹ 3.80 Lacs

March 31, 2025 - ₹ 4.28 Lacs

March 31, 2026 - ₹ 4.62 Lacs

March 31, 2027 - ₹ 2.46 Lacs"

### b) Loan Against Property of Bottle closure - Housing Development finance Corporation Limited

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 Pvt Limited. The loan is guaranted by others.

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

Rate of Interest - 10% p.a.

Inter corporate deposits are repayable as under:

March 31, 2024 - ₹ 200 Lacs

## 20 NON - CURRENT LIABILITIES - PROVISIONS

(₹ In Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Gratuity	662.01	605.89
Leave encashment	146.97	140.95
<b>Total</b>	<b>808.99</b>	<b>746.84</b>

## 21 DEFERRED TAX LIABILITIES

(₹ In Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Deferred Tax Liability</b>		
Relating to depreciation on fixed assets	880.95	844.76
Fair value of equity instruments through OCI	0.69	0.36
<b>(a)</b>	<b>881.64</b>	<b>845.12</b>
<b>Deferred Tax Assets</b>		
Provision for gratuity	182.97	178.16
Provision for leave encashment	49.55	47.52
Provision for bonus	11.45	16.50
Provision for expected credit loss	9.92	10.23
Provision for export benefit obligation	-	5.18
Provision for impairment in value of investments	0.51	0.58
<b>(b)</b>	<b>254.40</b>	<b>258.17</b>
Less: MAT Credit Entitlement	-	88.20
<b>Total</b>	<b>627.24</b>	<b>498.75</b>

# Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

## 22 CURRENT FINANCIAL LIABILITIES - BORROWINGS

(₹ In Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Secured, Repayable on demand</b>		
<b>From banks</b>		
Cash credit / packing credit	3,749.67	3,200.81
Buyers credit	1,592.72	1,040.96
<b>Unsecured, repayable on demand</b>		
Loan from Director	29.00	66.50
<b>Total</b>	<b>5,371.39</b>	<b>4,308.27</b>

### Security and rate of interest

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

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

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

Corporate Guarantee of Subsidiary Company - Kopran Research Laboratories Limited and personal guarantee of director / promoter aggregating to ₹ 2,885.00 Lacs.

Corporate Guarantee of Holding Company - Kopran Limited and personal guarantee of director / promoter aggregating to ₹ 6,425.00 Lacs.

Rate of Interest on cash credit - 9.05% p.a. to 11.47% p.a.

Rate of Interest on packing credit - SOFR + 200 bps

Rate of Interest on buyers credit - SOFR + 40 bps to SOFR + 100 bps

## 23 TRADE PAYABLES

(₹ In Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Due to micro and small enterprises (Refer Note No. 43)	185.44	127.26
Due to Others [including acceptances ₹ Nil ((March 31, 2021: Nil)]	6,044.72	8,464.21
<b>Total</b>	<b>6,230.16</b>	<b>8,591.47</b>
<b>Ageing of Trade Payables</b>		
<b>Outstanding for following periods from due date of Invoice</b>		
<b>Due to Others</b>		
Less than 1 year	5,865.58	8,057.06
Less than 1 year- Unbilled	50.35	34.45
1-2 years	29.00	256.86
2-3 years	22.03	65.85
More than 3 years	77.76	49.99
<b>Total</b>	<b>6,044.72</b>	<b>8,464.21</b>
<b>Due to micro and small enterprises</b>		
Less than 1 year	185.44	127.26
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
<b>Total</b>	<b>185.44</b>	<b>127.26</b>

# Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

## 24 CURRENT FINANCIAL LIABILITIES - OTHER

(₹ In Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Current maturities of long-term debt (for Security, rate of interest and terms of repayment refer Note No. 19(a), (b) and (c) above).	206.46	200.67
Interest accrued	1.65	9.02
Unpaid Dividends	18.29	11.52
Security deposits	22.50	21.00
<b>Other payables</b>		
Creditors for capital goods	832.29	629.04
Employees payables	395.46	522.66
Creditors for expenses	1,068.75	837.54
Provision for expenses	32.97	63.68
Others	254.56	252.69
<b>Total</b>	<b>2,832.93</b>	<b>2,547.82</b>

## 25 OTHER CURRENT LIABILITIES

(₹ In Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Advance from customers	163.80	238.41
Statutory liabilities	115.21	63.13
Other payables	28.21	35.65
<b>Total</b>	<b>307.22</b>	<b>337.19</b>

## 26 CURRENT LIABILITIES - PROVISIONS

(₹ In Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Gratuity	52.00	40.84
Leave encashment	46.42	31.62
<b>Total</b>	<b>98.42</b>	<b>72.46</b>

## 27 CURRENT TAX LIABILITIES

(₹ In Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for tax (Net of advance tax)	318.44	211.22
<b>Total</b>	<b>318.44</b>	<b>211.22</b>

# Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

## 28 REVENUE FROM OPERATIONS

(₹ in Lacs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Sale of products	47,427.72	48,148.64
<b>Other operating revenues</b>		
Scrap sales	167.25	64.97
Export Incentive	151.13	955.74
Others	6.00	12.00
<b>Total</b>	<b>47,752.10</b>	<b>49,181.35</b>

## 29 OTHER INCOME

(₹ in Lacs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>Dividend income</b>		
Long - term investments	0.07	-
<b>Interest Income</b>		
On fixed deposit	78.78	20.48
Others	53.69	8.85
Recovery of Bad Debts Earlier Written off	62.37	70.00
Liabilities written back (net)	73.13	4.26
Net gain on foreign currency transaction and translation	747.78	1,609.30
Miscellaneous income	44.68	85.79
<b>Total</b>	<b>1,060.49</b>	<b>1,798.68</b>

## 30 COST OF MATERIAL CONSUMED

(₹ in Lacs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>Raw material consumption</b>		
Opening stock	5,346.33	2,597.50
Add: Purchases	29,335.47	27,448.38
	<b>34,681.80</b>	<b>30,045.88</b>
Less : Closing stock	7,231.12	5,346.33
<b>Sub - Total</b>	<b>27,450.68</b>	<b>24,699.55</b>
<b>Packing material consumption</b>		
Opening stock	416.27	399.68
Add: Purchases	2,434.78	1,861.83
	<b>2,851.05</b>	<b>2,261.51</b>
Less : Closing stock	568.28	416.27
<b>Sub - Total</b>	<b>2,282.77</b>	<b>1,845.24</b>
<b>Total</b>	<b>29,733.45</b>	<b>26,544.79</b>



# Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

## 31 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

(₹ in Lacs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>Opening Inventories</b>		
Finished goods	550.38	2,604.29
Work in progress	3,503.78	3,002.07
	<b>4,054.16</b>	<b>5,606.36</b>
<b>Closing Inventories</b>		
Finished goods	1,385.91	550.38
Work in progress	5,587.32	3,503.78
	<b>6,973.23</b>	<b>4,054.16</b>
<b>Total</b>	<b>(2,919.07)</b>	<b>1,552.20</b>

## 32 EMPLOYEE BENEFITS EXPENSE

(₹ in Lacs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Salaries and Wages	3,769.35	3,271.84
Contribution to Provident and Other Funds	217.56	183.43
Staff welfare expenses	339.78	260.39
<b>Total</b>	<b>4,326.69</b>	<b>3,715.66</b>

## 33 FINANCE COSTS

(₹ in Lacs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Interest expense	362.72	451.51
Other borrowing cost	149.01	172.37
<b>Total</b>	<b>511.73</b>	<b>623.88</b>

## 34 OTHER EXPENSES

(₹ in Lacs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Stores and spares consumed	519.19	599.36
Power and fuel	1,926.68	1,664.62
Rent	162.03	257.92
<b>Repairs and maintenance</b>		
Building	79.65	77.82
Machinery	116.33	133.96
Others	126.60	81.49
Insurance	104.65	81.25
Commission on sales	794.36	795.60
Selling and distribution expenses	60.08	46.19

# Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

(₹ in Lacs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Product registration charges	20.04	52.52
Job work charges	753.67	651.01
Packing, freight and forwarding	1,170.77	979.91
Payments to the auditor (Refer Note No. 45)	15.13	15.34
Housekeeping and office maintainance	82.16	86.19
Printing and stationery	63.39	59.29
Postage, telegram and telephone	38.73	32.48
Travelling and conveyance	168.80	104.44
Legal and professional fees	696.24	726.74
Rates and taxes	71.18	54.22
Security and labour charges	223.01	178.83
Directors' sitting fees	6.85	5.44
Sundry balances written off	46.65	76.35
Bad debts	-	84.12
Add / (Less): Provision for Expected credit loss written back	(15.52)	(16.40)
Amortisation of premium on Operating lease	1.54	1.55
Corporate Social Responsibility Expenses	58.37	44.41
Loss on Sale of License	-	5.50
Loss on Sale of Fixed Asset	-	6.53
Miscellaneous expenses	257.82	221.76
<b>Total</b>	<b>7,548.40</b>	<b>7,108.44</b>

## 35 CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>a) Contingent liabilities</b>		
Guarantees given by the Company's bankers on behalf of the Group	1,840.91	332.55
Bills discounted with banks	479.44	446.19
<b>Disputed tax Matters</b>		
Excise duty demand disputed in appeal	5.43	5.43
Service tax demand disputed in appeal	511.35	511.35
Sales tax demand disputed in appeal	424.90	-
Income tax demand disputed in appeal	207.56	207.56
<b>Other claims / demands against Company not acknowledged as debts</b>		
a) Demand under Drug Price Control Order - 95 (DPCO - 95) demand disputed in appeal	591.34	591.34
b) Others	13.24	13.24

### b) Supreme Court Judgement on computation of provident fund contribution

On February 28, 2019, the Honorable Supreme Court of India delivered a judgement in the case of 'Vivekananda Vidyamandir and Others Vs The Regional Provident Fund Commissioner (II) West Bengal' in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. The Employees' Provident Fund Organisation also issued a circular (Circular No. C-1/1(33)2019/Vivekananda Vidyamandir/284) dated March 20, 2019 in relation to aforesaid matter.

c) Capital Commitments	As at March 31, 2022	As at March 31, 2021
Estimated amounts of contracts remaining to be executed on capital account (net of advances) and not provided for	716.89	200.82

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

(₹ in Lacs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Net Profit as per the Statement of Profit and Loss available for Equity Shareholders (₹ in Lacs)	6,103.12	6,160.62
Number of Equity Shares outstanding (No's in Lacs)	482.11	432.51
Weighted average number of Equity Shares for Basic and Diluted Earnings Per Share (No's in Lacs)	443.11	432.51
Nominal value of equity shares ₹	10.00	10.00
<b>Earnings Per Share:</b>		
Basic (in ₹)	13.77	14.24
Diluted (in ₹)	13.77	14.24

### 37 CIF VALUE OF IMPORTS

(₹ in Lacs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Raw Materials / Packing Material	12,649.98	16,191.09
Traded Goods	94.33	1,514.32
Capital Goods (including Capital Work-in-Progress)	46.32	110.82
<b>Total</b>	<b>12,790.63</b>	<b>17,816.23</b>

### 38 EXPENDITURE IN FOREIGN CURRENCY

(₹ in Lacs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Commission	684.73	650.96
Registration Fees	18.28	46.50
Bank Interest on Buyers Credit	16.17	15.49
Export Promotion Expenses	0.30	-
Travelling Expenses	21.79	6.16
Research & Development Charges	2.66	-
Product Registration	17.32	4.82
Plant Inspection Charges	28.79	41.79
Professional Charges Others	3.27	4.82
Others	50.43	52.34
<b>Total</b>	<b>843.74</b>	<b>822.88</b>

# Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

## 39 EARNINGS IN FOREIGN CURRENCY

(₹ in Lacs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
FOB Value of Exports	34,092.24	38,914.41
<b>Total</b>	<b>34,092.24</b>	<b>38,914.41</b>

## 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:

(₹ in Lacs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Employer's contribution to Provident Fund	202.65	169.60
Employer's contribution to Labour Welfare Fund	0.49	0.44
Employer's contribution to ESIC	14.42	13.39
<b>Total</b>	<b>217.56</b>	<b>183.43</b>

### 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.

#### i) Gratuity Benefits (unfunded)

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Present value of the projected benefit obligation</b>		
Present value of benefit obligation at the beginning of the year	646.73	616.46
Interest cost	45.01	42.04
Current service cost	50.19	48.65
Actuarial (gains) / losses on obligations - due to change in Demographic assumptions	(11.69)	-
Actuarial (gains) / losses on obligations - due to change in financial assumptions	(58.36)	(9.08)
Actuarial (gains) / losses on obligations - due to experience	63.85	(28.94)
Benefits paid directly by employer	(21.72)	(22.41)
<b>Present value of benefit obligation at the end of the year</b>	<b>714.01</b>	<b>646.73</b>
<b>Change in the fair value of plan assets</b>		
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	-	-
<b>Fair value of plan assets at the end of the year</b>	<b>-</b>	<b>-</b>
<b>Amount recognised in the Balance Sheet</b>		
Present value obligations at the end of the year	(714.01)	(646.73)
Fair value of plan assets at the end of the year	-	-
Funded status surplus / (deficit)	(714.01)	(646.73)
<b>Net (liability) / asset recognised in the Balance Sheet</b>	<b>(714.01)</b>	<b>(646.73)</b>

# Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Net interest cost for the current year</b>		
Present value benefit obligation at the beginning of the year	646.74	616.46
Fair value of plan assets at the beginning of the year	-	-
Net liability / (asset) at the beginning	646.74	616.46
Interest cost	45.01	42.04
Interest income	-	-
<b>Interest cost for the current year</b>	<b>45.01</b>	<b>42.04</b>
<b>Expenses recognised in the statement of profit or loss for the current year</b>		
Current service cost	50.19	48.65
Net interest cost	45.01	42.04
Past service cost	-	-
<b>Expenses recognised</b>	<b>95.20</b>	<b>90.69</b>
<b>Expenses recognised in the other comprehensive income (OCI) for current year</b>		
Actuarial (gains) / losses on obligation for the year	(6.20)	(38.02)
Return on plan assets, excluding interest income	-	-
Change in asset ceiling	-	-
<b>Net (income) / expense for the year recognised in OCI</b>	<b>(6.20)</b>	<b>(38.02)</b>
<b>Balance Sheet Reconciliation</b>		
Opening net liability	646.73	616.46
Expenses recognised in the statement of profit or loss	95.20	90.69
Expenses recognised in OCI	(6.20)	(38.02)
Benefits paid directly by employer	(21.72)	(22.41)
Net liability / (asset) recognised in the Balance Sheet	714.02	646.73
<b>Category of assets</b>		
NIL, as Funding status in unfunded.	-	-
<b>Maturity analysis of the benefit payments from the employer</b>		
<b>Projected benefits payable in future years from the date of reporting</b>		
1st following year	52.00	40.84
2nd following year	34.90	16.10
3rd following year	30.20	34.72
4th following year	43.03	25.47
5th following year	43.18	35.80
Sum of years of 6 to 10	319.38	260.87
Sum of years of 11 and above	998.62	1,077.27

## Sensitivity Analysis

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

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

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

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

# Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Projected benefit obligation on current assumptions	714.02	646.73
Delta effect of + 1% change in rate of discounting	(57.81)	(30.90)
Delta effect of - 1% change in rate of discounting	66.22	33.32
Delta effect of + 1% change in rate of salary increase	66.79	33.40
Delta effect of - 1% change in rate of salary increase	(59.25)	3.09
Delta effect of + 1% change in rate of employee turnover	9.79	2.95
Delta effect of - 1% change in rate of employee turnover	(10.92)	(3.15)
<b>Assumptions used to determine the benefit obligations</b>		
Rate of Discounting	7.23%	6.96%
Rate of salary increase	5.00%	5.50%
Rate of employee turnover	For Service 4 years and below 24.50% p.a. For Service 5 years and above 1.00% p.a	1.00%
Mortality rate during employment	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality (2006-08) Ultimate

## ii) Leave Encashment (unfunded)

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Present value of the projected benefit obligation</b>		
Present value benefit obligation at the beginning of the year	172.58	175.88
Interest cost	12.01	12.00
Current service cost	14.09	13.55
Actuarial (gains) / losses on obligations - due to change in Demographic assumptions	5.90	-
Actuarial (gains) / losses on obligations - due to change in financial assumptions	(15.24)	(2.71)
Actuarial (gains) / losses on obligations - due to experience	31.23	(10.46)
Benefits paid directly by employer	(27.17)	(15.68)
<b>Present value of benefit obligation at the end of the year</b>	<b>193.40</b>	<b>172.57</b>
<b>Change in the Fair value of plan assets</b>		
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	-	-
<b>Fair value of Plan Assets at the end of the year</b>	<b>-</b>	<b>-</b>
<b>Actuarial (gains) / losses recognised in the Statement of Profit or Loss for the current year</b>		
Actuarial (gains) / losses on obligation for the year	(5.70)	(13.18)
Return on plan assets, excluding interest income	-	-
Sub- total	(5.70)	(13.18)
<b>Actuarial (gains) / losses recognised in the Statement of Profit or Loss</b>	<b>(5.70)</b>	<b>(13.18)</b>

# Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Actual Return on Plan Assets</b>		
Interest income	-	-
Return on plan assets, excluding interest income	-	-
<b>Actual return on plan assets</b>	-	-
<b>Amount recognised in the Balance Sheet</b>		
Present value obligations at the end of the year	(193.39)	(172.57)
Fair value of plan assets at the end of the year	-	-
Funded status surplus / (deficit)	(193.39)	(172.57)
Unrecognised past service cost at the end of the period	-	-
<b>Net (liability) / asset recognised in the Balance Sheet</b>	<b>(193.39)</b>	<b>(172.57)</b>
<b>Net interest cost for the current year</b>		
Present value benefit obligation at the beginning of the year	172.58	175.88
Fair value of plan assets at the beginning of the year	-	-
Net (liability) / asset at the beginning	172.58	175.88
Interest cost	12.01	12.00
Interest income	-	-
<b>Net interest cost for the current year</b>	<b>12.01</b>	<b>12.00</b>
<b>Expenses recognised in the statement of profit or loss for the current year</b>		
Current service cost	14.09	13.55
Net interest cost	12.01	12.00
Actuarial (gains) / losses	21.88	(13.17)
<b>Expenses recognised in the statement of profit or loss</b>	<b>47.98</b>	<b>12.37</b>
<b>Balance Sheet reconciliation</b>		
Opening net liability	172.58	175.88
Expenses recognised in the statement of profit or loss	47.99	12.37
Employers contribution	-	-
Benefits paid directly by employer	(27.17)	(15.68)
<b>Net liability / (assets) recognised in the Balance Sheet</b>	<b>193.40</b>	<b>172.57</b>
<b>Category of Assets</b>		
NIL, as Funding status in unfunded	-	-
<b>Assumptions used to determine the benefit obligations</b>		
Rate of Discounting	7.23%	6.96%
Rate of salary increase	5.00%	5.50%
Rate of employee turnover	For Service 4 years and below 24.50% p.a. For Service 5 years and above 1.00% p.a.	1.00%
Mortality rate during employment	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality (2006-08) Ultimate

# Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

## 41 DISCLOSURE OF RELATED PARTIES/RELATED PARTY TRANSACTIONS PURSUANT TO IND AS 24 "RELATED PARTY DISCLOSURES"

### Names of related parties where control exists

Key Management Personnel	Surendra Somani (Executive Vice Chairman)
	B. K. Soni (Chief Financial Officer)
	Sunil Sodhani (Company Secretary)
	Mr. Kamesh Venkata Bhamidipati
	Chandra M Singhi (Director)
	Rakesh Doshi (Director)
	K B Shetty (Chief Financial Officer- Till December 15,2020)
	Lekha Jogi (Chief Financial Officer-w.e.f December 15,2020)
	Adarsh Somani (Director)
	Varun Somani (Director)
	Susheel Somani (Director)
	Siddhan Subramanian (Director)
	Sunita Banerji (Director)
	Mamta Biyani (Director)
	Chandni Shah (Company Secretary) w.e.f. June 08, 2021
	Arhen A Rodrigues (Company Secretary) till May 10, 2021
	Ms. Vandana Somani (Director)
Enterprises Significantly influenced by KMP or their relative (With whom there are transaction)	Oricon Enterprises Limited
	United Shippers Limited
	Kopran Laboratories Limited
	S K Somani Memorial Charitable Trust

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

(₹ in Lacs)

Nature of Transaction	Key Management Personnel		Enterprises Significantly influenced by KMP or their relative (With whom there are transaction)		Total	
	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
<b>Loan Received</b>						
Oricon Enterprises Limited			8,275.25	-	8,275.25	-
Surendra Somani	14.50	-	-	-	14.50	-
United Shippers Limited	-	-	2,500.00	-	2,500.00	-
<b>Total</b>	<b>14.50</b>	<b>-</b>	<b>10,775.25</b>	<b>-</b>	<b>10,789.75</b>	<b>-</b>
<b>Repayment of Loan taken</b>						
Surendra Somani	52.00	260.00	-	-	52.00	260.00
Oricon Enterprises Limited	-	-	8,275.25	1,364.00	8,275.25	1,364.00
United Shippers Limited	-	-	2,500.00	-	2,500.00	-
<b>Total</b>	<b>52.00</b>	<b>260.00</b>	<b>10,775.25</b>	<b>1,364.00</b>	<b>10,827.25</b>	<b>1,624.00</b>
<b>Purchases</b>						
Oricon Enterprises Limited	-	-	480.60	71.12	480.60	71.12
<b>Total</b>	<b>-</b>	<b>-</b>	<b>480.60</b>	<b>71.12</b>	<b>480.60</b>	<b>71.12</b>
<b>Interest Expense</b>						
Oricon Enterprises Limited	-	-	13.04	49.55	13.04	49.55
United Shippers Limited	-	-	28.84	-	28.84	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>41.88</b>	<b>49.55</b>	<b>41.88</b>	<b>49.55</b>



# Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

(₹ in Lacs)

Nature of Transaction	Key Management Personnel		Enterprises Significantly influenced by KMP or their relative (With whom there are transaction)		Total	
	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
<b>Interest Received</b>						
Kopran Laboratories Limited	-	-	-	4.20	-	4.20
Oricon Enterprises Limited	-	-	52.45	-	52.45	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>52.45</b>	<b>4.20</b>	<b>52.45</b>	<b>4.20</b>
<b>Loan Received</b>						
Kopran Laboratories Limited	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Repayment of Loan Given</b>						
Kopran Laboratories Limited	-	-	-	35.00	-	35.00
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35.00</b>	<b>-</b>	<b>35.00</b>
<b>Corporate Social Responsibility</b>						
S K Somani Memorial Charitable Trust	-	-	25.00	24.51	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>25.00</b>	<b>24.51</b>	<b>-</b>	<b>-</b>
<b>Miscellaneous Expenses</b>						
Oricon Enterprises Limited - Rent	-	-	120.00	240.00	120.00	240.00
Kopran Laboratories Limited	-	-	0.10	0.48	0.10	0.48
Oricon Enterprises Limited - Others	-	-	-	28.51	-	28.51
<b>Total</b>	<b>-</b>	<b>-</b>	<b>120.10</b>	<b>268.99</b>	<b>120.10</b>	<b>268.99</b>
<b>Remuneration</b>						
Surendra Somani	148.50	125.65	-	-	148.50	125.65
B. K. Soni	22.59	27.24	-	-	22.59	27.24
Sunil Sodhani	16.24	16.46	-	-	16.24	16.46
Kamesh Venkata Bhamidipati	49.14	39.26	-	-	49.14	39.26
Chandra M Singhi	40.96	45.36	-	-	40.96	45.36
Rakesh Doshi	53.76	45.95	-	-	53.76	45.95
K B Shetty	-	7.43	-	-	-	7.43
Lekha Jogi	5.49	1.62	-	-	5.49	1.62
Chandni Shah	4.47	-	-	-	4.47	-
Ahren A Arodrigues	0.41	3.75	-	-	0.41	3.75
<b>Total</b>	<b>341.56</b>	<b>312.72</b>	<b>-</b>	<b>-</b>	<b>341.56</b>	<b>312.72</b>
<b>Director Sitting fees</b>						
Ms. Vandana Somani	0.22	0.19	-	-	0.22	0.19
Rakesh Doshi	0.20	-	-	-	0.20	-
Sunita Banerji	0.29	0.28	-	-	0.29	0.28
Mamta Biyani	0.29	0.28	-	-	0.29	0.28
<b>Total</b>	<b>0.99</b>	<b>0.74</b>	<b>-</b>	<b>-</b>	<b>0.99</b>	<b>0.74</b>
<b>Balance Payable as at March 31, 2022</b>						
Oricon Enterprises Limited - Interest Payable	-	-	-	-	-	-
Oricon Enterprises Limited - Trade Payable	-	-	564.88	470.92	564.88	470.92
Oricon Enterprises Limited - Loan	-	-	-	-	-	-
Surendra Somani	22.00	59.50	7.00	7.00	29.00	66.50
<b>Total</b>	<b>22.00</b>	<b>59.50</b>	<b>571.88</b>	<b>477.92</b>	<b>593.88</b>	<b>537.42</b>

The sitting fees paid to non - executive directors is ₹ 6.85 Lacs (March 31, 2021 ₹ 5.39 Lacs).

# Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

## 42 DISCLOSURES PURSUANT TO IND AS 108 "SEGMENT REPORTING"

The Chief Operating Decision Maker ("CODM") evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by reportable segments. The Group's reportable segments are as follows:

The Company is primarily engaged in the business of manufacturing of "Formulation (Finished Dosage Form) and Active Pharmaceutical Ingredients (API)" i.e., "Pharmaceuticals" which in the context of Ind AS 108 on "Operating Segments" constitutes a single reportable segment and hence no separate financial disclosures provided in respect of its single business segment.

### a) Information about products

(₹ in Lacs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Bulk Drugs	27,072.30	27,642.54
Tablet / Capsules / Liquids	20,220.41	20,419.35
Others	135.01	86.75
<b>Total</b>	<b>47,427.72</b>	<b>48,148.64</b>

### b) Information about geographical areas

The management also evaluates the Group's revenue performance based on geographical segments. The Group's geographical segments are as follows:

#### (i) Revenue from operations

(₹ in Lacs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
India	12,609.63	8,613.26
South Africa	7,951.44	6,313.24
Ethiopia	3,306.55	6,111.29
United Kingdom	687.13	1,420.88
Tanzania	1,853.42	1,854.12
Zambia	292.92	480.38
Chile	1,082.12	-
Jordhan	689.96	2,192.34
Mexico	171.62	3,872.39
Switzerland	488.40	1,854.98
Germany	1,889.19	1,209.59
Rest of World	16,405.34	14,226.16
<b>Total</b>	<b>47,427.72</b>	<b>48,148.63</b>

#### (ii) Non - current assets

(₹ in Lacs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
India	19,205.80	15,851.67
Hong Kong	6.09	7.40
<b>Total</b>	<b>19,211.89</b>	<b>15,859.07</b>

### c) Information about major customers

Revenues from one of the customers of the Company were approximately ₹ 3,587.96 Lacs representing approximately 7.57% of the Company's total revenue from operations from sale of products, for the year ended March 31, 2022.

Revenues from one of the customers of the Company were approximately ₹ 3,650.95 Lacs representing approximately 7.58% of the Company's total revenue from operations from sale of products, for the year ended March 31, 2021.

# Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

The reportable segments derives their revenues from the sale of pharmaceuticals products. The CODM reviews revenue as the performance indicator. The measurement of each segment's revenues, expenses and assets is consistent with the accounting policies that are used in preparation of the Group's consolidated financial statements.

## 43 DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES (MSME)

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
(a) The principal amount remaining unpaid to any supplier at the end of each accounting year.	185.44	127.26
(b) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year.	-	-
(c) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day.	-	-
(d) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
(e) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Dues to micro, small and medium enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.

## 44 DISCLOSURES PURSUANT TO IND AS 116 "LEASES"

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

(₹ in Lacs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Lease payments in respect of such lease recognised in statement of profit and loss account	120.00	240.00

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

(₹ in Lacs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Not later than one year	-	180.00
Later than one year and not later than five years	-	-
Later than five years	-	-

# Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

## 45 PAYMENTS TO THE AUDITOR (EXCLUDING GOODS AND SERVICE TAX)

Particulars	(₹ in Lacs)	
	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>As Statutory Auditor</b>		
Audit Fees	12.11	12.22
Tax Audit Fees	3.00	3.00
Other Matters	-	0.12
Out of Pocket expenses	0.02	-
<b>Total</b>	<b>15.13</b>	<b>15.34</b>

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

## 47 CURRENT TAX AND DEFERRED TAX

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

Particulars	(₹ in Lacs)	
	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>Current Tax</b>		
Current Income Tax Charge	1,948.37	1,830.37
Adjustments in respect of prior years	-	-
<b>Total</b>	<b>1,948.37</b>	<b>1,830.37</b>
<b>Deferred Tax</b>		
In respect of current year	126.59	342.61
<b>Total</b>	<b>126.59</b>	<b>342.61</b>
<b>Total tax expense recognised in Statement of Profit and Loss</b>	<b>2,074.96</b>	<b>2,172.98</b>

### b) Income Tax recognised in Other Comprehensive Income

Particulars	(₹ in Lacs)	
	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>Deferred Tax (Liabilities) / Assets</b>		
Net changes in Fair value of investments in equity shares carried at fair value through OCI	(0.33)	(0.42)
Remeasurement of Defined Benefit Obligations	(1.59)	(10.58)
<b>Total</b>	<b>(1.92)</b>	<b>(11.00)</b>

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

Particulars	(₹ in Lacs)	
	Year Ended March 31, 2022	Year Ended March 31, 2021
Net profit as per Statement of Profit and Loss Account (before tax)	8,178.08	8,333.60
Corporate Tax Rate as per Income tax Act, 1961		
Tax on Accounting Profit	2,082.04	2,179.50
<b>Tax difference on account of:</b>		
Expenses not allowable under the Income tax Act, 1961	277.34	228.68
Timing Differences - Deferred tax assets	38.38	(3.69)
Expenses allowable under the Income tax Act, 1961	(322.80)	(231.51)
MAT Credit Utilisation	-	-
Taxation adjustment of earlier years	-	-
Rounding off tax differences	-	-
<b>Income tax expense recognised in profit and loss</b>	<b>2,074.96</b>	<b>2,172.98</b>

# Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

## d) Movement of Deferred Tax

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

Particulars	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
Relating to depreciation on fixed assets	(844.75)	(36.20)	-	(880.95)
Provision for gratuity	178.16	6.41	(1.59)	182.97
Provision for leave encashment	47.52	2.04	-	49.55
Provision for expected credit loss	16.50	(5.06)	-	11.45
Provision for Bonus	10.23	(0.34)	-	9.92
Provision for export benefit obligation	5.18	(5.18)	-	-
Provision for impairment in value of investments	0.58	(0.07)	-	0.51
Fair value of equity instruments through OCI	(0.36)	-	(0.33)	(0.69)
MAT Credit Entitlement	88.20	(88.20)	-	-
<b>Net Deferred Tax Assets</b>	<b>(498.75)</b>	<b>(126.59)</b>	<b>(1.92)</b>	<b>(627.24)</b>

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

Particulars	Opening Balance	Recognised in profit and Loss	Recognised in OCI	Closing Balance
Relating to depreciation on fixed assets	(831.44)	(13.31)	-	(844.76)
Provision for gratuity	168.99	19.75	(10.57)	178.16
Provision for leave encashment	48.40	(0.88)	-	47.52
Provision for expected credit loss	20.68	(4.18)	-	16.50
Provision for Bonus	8.95	1.28	-	10.23
Provision for export benefit obligation	4.74	0.44	-	5.18
Provision for impairment in value of investments	0.00	0.58	-	0.58
Fair value of equity instruments through OCI	0.07	-	(0.43)	(0.36)
MAT Credit Entitlement	434.48	(346.28)	-	88.20
<b>Net Deferred Tax Assets</b>	<b>(145.13)</b>	<b>(342.61)</b>	<b>(11.00)</b>	<b>(498.75)</b>

## 48 DETAILS OF LOANS GIVEN, COVERED U/S 186 (4) OF THE COMPANIES ACT, 2013 AND DISCLOSURE PURSUANT TO CLAUSE 34 OF THE (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

(₹ in Lacs)

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>Corporate Guarantee given</b>		
For loans sanctioned to Kopran Research Laboratories Limited	6,425.00	6,250.00
For loans sanctioned to Kopran Limited	2,885.00	3,600.00

(₹ in Lacs)

Contingent liability of above (to the extent amount utilised)	As at March 31, 2022	As at March 31, 2021
For loans sanctioned to Kopran Research Laboratories Limited	3,068.57	2,950.65
For loans sanctioned to Kopran Limited	2,068.18	1,632.17

- 49 a) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- b) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

# Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

## 50 FINANCIAL INSTRUMENTS

### i. Financial Instruments by Category

(₹ in Lacs)

Particulars	March 31, 2022			March 31, 2021		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
<b>Financial Assets</b>						
Non - current financial assets - Investment	-	5.53	0.40	-	4.11	0.40
Non - current financial assets - Loans receivables	-	-	383.42	-	-	379.81
Current financial assets - Trade receivables	-	-	12,736.33	-	-	12,007.85
Current financial assets - Cash and cash equivalents	-	-	586.83	-	-	93.53
Current financial assets - Bank Balances other than cash and cash equivalents	-	-	5,126.29	-	-	596.28
Current financial assets - Loans receivables	-	-	61.66	-	-	46.93
Current financial assets - Others	-	-	4.09	-	-	6.92
Derivatives designated as hedges - Foreign currency forward contracts	94.86	-	-	324.84	-	-
<b>Total</b>	<b>94.86</b>	<b>5.53</b>	<b>18,899.02</b>	<b>324.84</b>	<b>4.11</b>	<b>13,131.72</b>
<b>Financial Liabilities</b>						
Non - current financial liabilities - Borrowings	-	-	1,877.03	-	-	2,121.22
Current financial liabilities - Borrowings	-	-	5,371.39	-	-	4,308.27
Current financial liabilities - Trade payables	-	-	6,230.15	-	-	8,591.47
Current financial liabilities - Other	-	-	2,832.93	-	-	2,547.82
<b>Total</b>	<b>-</b>	<b>-</b>	<b>16,311.50</b>	<b>-</b>	<b>-</b>	<b>17,568.78</b>

### ii. Fair Value Measurements

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Company has established the fair value hierarchy that categorises the values into 3 levels. For the inputs to valuation techniques used to measure fair value of financial instruments refer Note No. 2.3(b)

#### Assets and liabilities measured at fair value:

(₹ in Lacs)

Particulars	March 31, 2022			March 31, 2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial Assets</b>						
<b>Financial Investments which are measured at FVTPL</b>						
Investments	-	-	-	-	-	-
<b>Financial Investments which are measured at FVTOCI</b>						
Investments	5.53	-	-	4.11	-	-
<b>Derivatives designated as hedges</b>						
Foreign exchange forward contracts	-	94.86	-	-	324.84	-

# Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

(₹ in Lacs)

Particulars	March 31, 2022			March 31, 2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial Assets which are measured at Amortised Cost</b>						
Non - current financial assets - Investment	-	0.40	-	-	0.40	-
Non - current financial assets - Loans receivables	-	383.42	-	-	379.81	-
Current financial assets - Trade receivables	-	12,736.33	-	-	12,007.85	-
Current financial assets - Cash and cash equivalents	-	586.83	-	-	93.53	-
Current financial assets - Bank Balances other than cash and cash equivalents	-	5,126.29	-	-	596.28	-
Current financial assets - Loans receivables	-	61.66	-	-	46.93	-
Current financial assets - Others	-	4.09	-	-	6.92	-
<b>Total Financial Assets</b>	<b>5.52</b>	<b>18,993.88</b>	<b>-</b>	<b>4.11</b>	<b>13,456.56</b>	<b>-</b>

(₹ in Lacs)

Particulars	March 31, 2022			March 31, 2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial Liabilities</b>						
<b>Financial Liabilities which are measured at FVTPL</b>						
Non - current financial liabilities - Borrowings	-	-	-	-	-	-
<b>Derivatives designated as hedges</b>						
Foreign exchange forward contracts	-	-	-	-	-	-
<b>Financial Liabilities which are measured at Amortised Cost</b>						
Non - current financial liabilities - Borrowings	-	1,877.03	-	-	2,121.22	-
Current financial liabilities - Borrowings	-	5,371.39	-	-	4,308.27	-
Current financial liabilities - Trade payables	-	6,230.15	-	-	8,591.47	-
Current financial liabilities - Other	-	2,832.93	-	-	2,547.82	-
<b>Total Financial Liabilities</b>	<b>-</b>	<b>16,311.50</b>	<b>-</b>	<b>-</b>	<b>17,568.78</b>	<b>-</b>

**Notes:**

There have been no transfers among Level 1, Level 2 and Level 3 during the period.

**Financial Instrument measured at Amortised Cost**

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Management does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

# Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

## 51 DISCLOSURES PURSUANT TO IND AS 1 "PRESENTATION OF FINANCIAL STATEMENTS" - CAPITAL MANAGEMENT

Capital includes issued equity capital and share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value.

(₹ in Lacs)

Particulars	As at March 31, 2022	As at March 31, 2021
Non - current financial liabilities - Borrowings	1,877.03	2,121.22
Current financial liabilities - Borrowings	5,371.39	4,308.27
Current financial liabilities - Other - Current maturities of long - term debt	206.46	200.67
Less : cash and cash equivalents	(586.83)	(93.53)
<b>Net debt (A)</b>	<b>6,868.05</b>	<b>6,536.63</b>
Total Equity	42,616.89	24,503.04
<b>Total Capital (B)</b>	<b>42,616.89</b>	<b>24,503.04</b>
<b>Capital and Net Debt C = (A) + (B)</b>	<b>49,484.94</b>	<b>31,039.67</b>
<b>Gearing Ratio (A) / (C)</b>	<b>0.14</b>	<b>0.21</b>

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations. The Company monitors capital using gearing ratio, which is total debt divided by total capital plus debt.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

## 52 DISCLOSURES PURSUANT TO IND AS 107 "FINANCIAL INSTRUMENTS DISCLOSURES" - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company's business activities expose it to a variety of financial risks, namely market risks, credit risk and liquidity risk. The Company's senior management has the overall responsibility for the establishment and oversight of the Company's risk management framework. The top management is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

### a) Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, borrowings, foreign currency receivables and payables.



# Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

## i) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates to the Company's long-term debt as well as short-term obligations with floating interest rates.

In order to manage its interest rate risk, the Company diversifies its portfolio in accordance with the limits set by the risk management policies.

As an estimation of the approximate impact of the interest rate risk, with respect to financial instruments, the Company has calculated the impact of a 1% change in interest rates. A 1% decrease in interest rates would have led to approximately an additional ₹ 74.26 Lacs gain for year ended March 31, 2022 (₹ 65.64 Lacs gain for year ended March 31, 2021) in Interest expenses. A 1% increase in interest rates would have led to an equal but opposite effect.

Interest rate sensitivity has been calculated assuming the borrowings outstanding at the reporting date have been outstanding for the entire reporting period.

## ii) Foreign Currency Risk

Foreign currency risk is the risk of impact related to fair value or future cash flows of an exposure in foreign currency, which fluctuate due to changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the borrowings, import of raw materials, exports of Formulations and the Company's net investments in foreign subsidiaries.

When a derivative is entered into for the purpose of being a hedge, the Company negotiates the terms of those derivatives to match the terms of the hedged exposure.

The Company evaluates exchange rate exposure arising from foreign currency transactions. The Company follows established risk management policies. It uses derivative instruments like foreign currency forwards to hedge exposure to foreign currency risk.

### Outstanding foreign currency exposure:

	As at March 31, 2022		As at March 31, 2021	
	Foreign Currency Amount	Amount in ₹	Foreign Currency Amount	Amount in ₹
<b>Receivables</b>				
USD	113.20	8,580.85	125.11	9,147.68
EURO	1.15	97.04	1.40	120.29
GBP	2.38	237.12	2.48	250.44
<b>Foreign Currency Bank Account</b>				
USD	0.02	1.52	0.02	1.37
<b>Payables</b>				
USD	72.61	5,503.16	99.53	7,277.41
GBP	0.22	18.25	0.16	14.14
EURO	0.73	73.06	1.42	143.15
<b>Borrowings</b>				
USD	51.36	3,892.84	28.48	2,082.80

### Foreign exchange risk sensitivity:

As an estimation of the approximate impact of the interest rate risk, with respect to financial instruments, the Company has calculated the impact of a 1% change in interest rates. A 1% increase in interest rates would have led to approximately an additional ₹ 5.72 Lacs net loss for year ended March 31, 2022 (₹ 0.02 Lacs net gain for year ended March 31, 2021) in Interest expenses. A 1% decrease in interest rates would have led to an equal but opposite effect.

# Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

## Forward Exchange Contracts:

Derivatives for hedging currency, outstanding are as under:

(₹ in Lacs)				
Particulars	Purpose	Currency	As at	As at
			March 31, 2022	March 31, 2021
Foreign currency forward contracts	Exports	USD	259.10	187.50
Forward contract value	Exports	₹	20,064.90	14,501.21
Foreign currency forward contracts	Imports	USD	-	-
Forward contract value	Imports	₹	-	-

### iii) Other Price Risk

#### Other price risk

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. Other price risk arises from financial assets such as investments in equity instruments. The Company is exposed to price risk arising mainly from investments in equity instruments recognised at FVTOCI. As at March 31, 2022, the carrying value of such equity instruments recognised at FVTOCI amounts to ₹ 5.52 Lacs (March 31, 2021 ₹ 4.11 Lacs). The details of such investments in equity instruments are given in Note 6(a) and 6(b).

The Company is mainly exposed to change in market rates of its investments in equity investments recognised at FVTOCI. A sensitivity analysis demonstrating the impact of change in market prices of these instruments from the prices existing as at the reporting date is given below:

If the equity prices had been higher / lower by 10% from the market prices existing as at March 31, 2022, Other Comprehensive Income for the year ended March 31, 2021 would increase / decrease by ₹ Nil Lacs (March 31, 2021 ₹ Nil Lacs) with a corresponding increase/decrease in Total Equity of the Company as at March 31, 2022. 10% represents management's assessment of reasonably possible change in equity prices.

### b) Credit Risk

Credit risk arises when a customer or counterparty does not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing / investing activities, including deposits with banks, foreign exchange transactions and financial guarantees. The Company has no significant concentration of credit risk with any counterparty.

#### Trade receivables:

Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/ modified.

Total Trade receivable as on March 31, 2022 is ₹ 12,736.32 Lacs (March 31, 2021 ₹ 12,007.85 Lacs). The average credit period on sale of goods is 90 to 180 days. No interest is charges on trade receivables.

An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on exchange losses historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

The Company has used expected credit loss (ECL) model for assessing the impairment loss. For the purpose, the Company uses a provision matrix to compute the expected credit loss amount. The provision matrix takes into account external and internal risk factors and historical data of credit losses from various customers.

# Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

## Movement in the expected credit loss allowance on trade receivables

Particulars	(₹ in Lacs)	
	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>Balance at the beginning of the year</b>	<b>60.21</b>	<b>88.02</b>
Addition	(15.52)	(16.41)
Write - offs	-	(11.40)
Recoveries	-	-
<b>Balance at the end of the year</b>	<b>44.69</b>	<b>60.21</b>

### c) Liquidity Risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions. The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows as at the Balance Sheet date.

Particulars	Carrying amount	Less than 12 months	More than 12 months	Total
<b>As at March 31, 2022</b>				
Non - current financial liabilities - Borrowings	1,877.03	-	1,877.03	1,877.03
Current financial liabilities - Borrowings	5,371.39	5,371.39	-	5,371.39
Current financial liabilities - Trade payables	6,230.15	6,230.15	-	6,230.15
Current financial liabilities - Other	2,832.93	2,832.93	-	2,832.93
<b>As at March 31, 2021</b>				
Non - current financial liabilities - Borrowings	2,121.22	-	2,121.22	2,121.22
Current financial liabilities - Borrowings	4,308.27	4,308.27	-	4,308.27
Current financial liabilities - Trade payables	8,591.47	8,591.47	-	8,591.47
Current financial liabilities - Other	2,547.82	2,547.82	-	2,547.82

## 53 CORPORATE SOCIAL RESPONSIBILITY

As per section 135 of the Companies Act, 2013, amount required to be spent by the Company during the year ended March 31, 2022 and 2021 is ₹ 56.55 Lacs and ₹ 25.45 Lacs, respectively, computed at 2% of its average net profit for the immediately preceding three financial years, on Corporate Social Responsibility (CSR). The Company incurred an amount of ₹ 58.37 Lacs and ₹ 44.41 Lacs during the year ended March 31, 2022 and 2021, respectively, towards CSR expenditure for purposes other than construction / acquisition of any asset.

Particulars	(₹ in Lacs)	
	As at March 31, 2022	As at March 31, 2021
i) Amount required to be spent by the Company during the year	56.55	25.45
ii) Amount of Expenditure incurred	58.37	44.41
iii) Shortfall at the end of the year	-	-
iv) Total of Previous years Shortfall	-	-
v) Reason for Shortfall		
vi) Nature of CSR Activities	Covid 19 relief projects, Covid 19 Vaccination, Infrastructure Support to hospital, Contribution for Schedule VII Activities, Construction of old age home, Environmental Sustainability, Health Care, Food Distribution for Poor, etc.	
vii) Details of related party transactions, e.g. Contribution to a trust controlled by the Company in relation to CSR expenditure as per relevant Accounting Standard	25.00	24.51
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 Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

## 54 DISAGGREGATION OF REVENUE

The operations of the Group are limited to only one segment viz. pharmaceuticals and related products. Revenue from contract with customers is from sale of manufactured goods and rendering of research services. Sale of goods are made at a point in time and revenue is recognised upon satisfaction of the performance obligations which is typically upon dispatch / delivery. The Group has a credit evaluation policy based on which the credit limits for the trade receivables are established. There is no significant financing component as the credit period provided by the Group is not significant.

### Primary Geographical Markets

Refer note no. 42(b)(i) for detailed disclosure

### Contract balances

Particulars	(₹ in Lacs)	
	March 31, 2022	March 31, 2021
Trade Receivables	12,736.33	12,007.85

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

### Reconciliation of revenue from sale of products as recognised in the Statement of Profit and Loss with the contracted price:

Particulars	(₹ in Lacs)	
	March 31, 2022	March 31, 2021
Revenue as per contracted price	48,129.10	49,079.78
<b>Less:</b>		
Sales return	693.71	869.88
Discount	7.67	61.26
<b>Revenue as per the Statement of Profit and Loss</b>	<b>47,427.72</b>	<b>48,148.64</b>

### Disaggregated revenue recognised in the Statement of Profit and Loss:

Refer note no. 42(a) for detailed disclosure

### Information about major customers

Refer note no. 42(c) for detailed disclosure

- 55** The Code on Social Security, 2020 (Code) relating to employee benefits during employment and post-employment benefits has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. However, the date on which the Code comes into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

## 56 DETAILS OF SUBSIDIARIES

The Subsidiary Companies Considered in the consolidated Financial Statements are:

Name of the Company	Country of Incorporation	% of holding as at March 31, 2022	% of holding as at March 31, 2021	Accounting Period
a) Kopran Research Laboratories Limited	India	100%	100%	April 1, 2021 to March 31, 2022
b) Kopran Lifesciences Limited	India	100%	100%	April 1, 2021 to March 31, 2022
c) Kopran (H. K.) Limited	Hongkong	100%	100%	April 1, 2021 to March 31, 2022
d) Kopran (UK) Limited (Subsidiary of Kopran Research Laboratories Limited)	United Kingdom	100%	100%	April 1, 2021 to March 31, 2022

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

- 57** During the year, on January 12, 2022, the Holding Company has allotted 49,59,999 equity shares of face value ₹ 10/- each at a price of ₹ 255/- per equity share (including premium of ₹ 245/- per equity share) aggregating to ₹ 12,648.00 Lacs on preferential basis under chapter V of SEBI (Issue of capital and Disclosure Requirements) Regulations, 2018 as amended and other applicable provisions of the Companies Act, 2013 and relevant Rules thereunder. Out of the net proceeds of preferential issue, the Company and its subsidiary Kopran Research Laboratories Limited had utilised ₹ 7521.59 Lacs upto March 31, 2022 towards purposes specified in the private placement offer letter. The balance amount of proceeds of preferential issue as on March 31, 2022 is invested in fixed deposits with scheduled commercial banks as interim use of funds.
- 58** Dividend paid during the year ended March 31, 2022 of ₹ 1.50 per equity share is towards final dividend for the year ended March 31, 2021. Dividend paid during the year ended March 31, 2021 of ₹ 1.50 per equity share is towards interim dividend for the year ended March 31, 2021.

Dividends declared by the Holding Company are based on the profit available for distribution. On May 27, 2022, the Board of Directors of the Holding Company have recommended a dividend of 30% i.e., ₹ 3.00 per equity share of face value of ₹. 10 each for the financial year ended March 31, 2022 subject to the approval of shareholders at the Annual General Meeting, and if approved, would result in a cash outflow of approximately ₹ 1,446.32 lakh.

### 59 ANALYTICAL RATIOS

Particulars	Formula	FY 2021-22	FY 2020-21	% Change during the Year	Reason for Change
1. Current Ratio	Current Assets/Current Liabilities	2.74	1.72	59%	Increase in working capital
2. Debt-Equity Ratio	Total Debt/Shareholders Equity	0.19	0.32	(40%)	Increase in share capital
3. Debt Service Coverage Ratio	Earnings available for Debt Service/Debt Service	2.73	4.38	(38%)	Increase in borrowings
4. Return on Equity	Net Profit after tax/Average Shareholder's Equity	0.21	0.35	(40%)	Increase in share capital
5. Inventory Turnover Ratio	Cost of Goods Sold/Average Inventory	2.17	3.20	(32%)	Increase in inventory
6. Trade Receivables Turnover Ratio	Net Credit Sales/Average Accounts Receivable	3.86	4.62	(16%)	
7. Trade Payables Turnover Ratio	Net Credit Purchases/Average Trade Payables	3.97	2.98	33%	Increase in purchases and trade payables
8. Net Capital Turnover Ratio	Net Sales/ Working Capital	1.81	4.23	(57%)	Increase in share capital
9. Net Profit Ratio	Net Profit/Net Sales	0.17	0.17	1%	
10. Return on Capital Employed	EBIT/Capital Employed	0.18	0.29	(40%)	Increase in share capital
11. Return on Investment	Income generated from investments / Investments	-	-		

### 60 OTHER STATUTORY INFORMATION

- (i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Group does not have any identified transaction with struck off Group during the year.
- (iii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Group 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:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

# Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

- (vi) The Group has not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
- 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,
- (vii) The Group 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 Group 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 Group is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Group.
- (x) The Group 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.
- (xi) Disclosure pertaining to stock statement filed with bank or financial institutions:

Name of Bank	Quarter	Particulars	Amount as per books of account	Amount as reported in the quarterly report/statement	Amount of Difference	Reason for discrepancies
State Bank of India Commercial Branch, Ratnakar Bank Limited and YES Bank Limited	June 30, 2021	Trade Payable	2,107.98	2,211.67	(103.69)	Trade payables of 2 vendors amounting to ₹ 105.17 Lacs considered twice in monthly statement.
		Trade Receivable	2,349.89	2,443.76	(93.87)	Amount received from 1 debtor was accounted after submission of monthly statement to bank as the information of the party was not available.
State Bank of India Commercial Branch, Ratnakar Bank Limited and YES Bank Limited	September 30, 2021	Trade Payable	5,006.45	4,930.92	75.53	Accounting of trade payables for material in transit after submission of stock statement.
		Trade Receivable	3,879.21	3,872.47	6.74	
		Inventories	4,521.48	4,230.84	290.64	Material in transit and lying at jobwork site recorded during quarterly finalisation
State Bank of India Commercial Branch, Ratnakar Bank Limited and YES Bank Limited	December 31, 2021	Trade Payable	2,928.95	2,740.70	188.25	Accounting of trade payables for material in transit after submission of stock statement.
		Trade Receivable	5,407.70	5,406.65	1.05	
		Inventories	5,758.60	5,251.40	507.20	Material in transit and lying at jobwork site recorded during quarterly finalisation
State Bank of India Commercial Branch, Ratnakar Bank Limited and YES Bank Limited	March 31, 2022	Trade Payable	2,407.61	2,369.10	38.51	Some invoices received after submission of monthly statement however, accounted for in respective period.
		Trade Receivable	5,881.27	5,889.54	(8.27)	
		Inventories	4,151.25	4,144.08	7.17	

# Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022 (Contd.)

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

## 62 STATEMENT OF NET ASSETS, PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME ATTRIBUTABLE TO OWNERS AND NON-CONTROLLING INTERESTS

(₹ in Lacs)

Name of the entity in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
<b>Holding Company</b>								
Kopran Limited	54.05	37,875.65	20.18	1,174.61	244.38	13.27	20.40	1,189.02
<b>Indian Subsidiaries</b>								
Kopran Research Laboratories Limited	45.62	31,968.62	79.87	4,650.12	(144.38)	(7.84)	79.66	4,642.28
Kopran Lifesciences Limited	0.01	3.55	-	(0.09)	-	-	-	(0.09)
<b>Foreign Subsidiaries</b>								
Kopran (H. K.) Limited	0.31	217.26	(0.04)	(2.52)	-	-	(0.04)	(2.52)
Kopran (UK) Limited	0.01	5.63	-	(0.19)	-	-	(0.02)	(1.33)
<b>Total before consolidation adjustments</b>	<b>100.00</b>	<b>70,070.71</b>	<b>100.01</b>	<b>5,821.93</b>	<b>100.00</b>	<b>5.43</b>	<b>100.00</b>	<b>5,827.36</b>
Adjustment arising out of consolidation		27,453.82		(281.19)		(6.53)		(287.72)
<b>Total after consolidation adjustments</b>		<b>42,616.89</b>		<b>6,103.12</b>		<b>11.96</b>		<b>6,115.08</b>

As per our report of even date

**For Khandelwal Jain & Co**

Chartered Accountants  
Firm Registration No: - 105049W

**S. S. SHAH**

Partner  
Membership No: - 033632

Place: Mumbai  
Date : May 27, 2022

For and on behalf of the Board of Directors

**SURENDRA SOMANI**

Executive Vice Chairman  
DIN: 00600860

**B. K. SONI**

Chief Financial Officer

**SUSHEEL SOMANI**

Director  
DIN: 00601727

**SUNIL SODHANI**

Company Secretary







**Kopran**

**KOPRAN LIMITED**

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