



Ref: GLL/BSE/2021/Sept-06

Date: September 08, 2021

To
Corporate Relations Manager
BSE Limited
Phiroje Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001

To
Listing Manager
The Ahmedabad Stock Exchange Limited
A-2, Kamdhenu Complex,
Opposite Sahajanand College,
120 Feet Ring Rd, Panjara Pol, Ambawadi,
Ahmedabad – 380 015

To
The Secretary
The Calcutta Stock Exchange Limited
#7, Lyons Range, Murgighata,
Dalhousie, Kolkata – 700 001

Sub: Submission of Annual Report & AGM Notice for the Financial Year ended March 31, 2021.

Ref: Regulation 34 of the SEBI (LODR) Regulations, 2015.

Dear Sir/Ma'am,

With reference to the subject matter, As per the Regulation 34 of SEBI (listing Obligation and Disclosure Requirements) Regulations, 2015, we hereby submits 36th Annual Report of Gennex Laboratories Limited for the Financial Year ended March 31, 2021, inter alia, Notice of the Annual General Meeting to be held on September 30, 2021, Director's Report, Independent Audit Report of Statutory Auditor, Financial Statements (Standalone and Consolidated), being Balance Sheet, Statement of Profit and Loss account & Cash Flow Statement along with the Notes thereto for the Financial Year ended March 31, 2021 have been sent electronically to the members who have registered their email ID as per the SEBI guideline. The aforesaid documents are available on the Company website i.e., www.gennexlab.com and are also available for inspection at the Registered Office of the Company during office hours

We would also like to inform you that pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended, and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the AGM, by electronic means ('remote e-voting'). The Company has engaged the services of R&D Infotech Private Limited as the Authorised Agency to provide e-voting facilities. The details as per the provisions of the Companies Act, 2013 are given in the attached Notice.

This intimation is also uploaded in the Company website: www.gennexlab.com.



Gennex Laboratories Limited

Office: Ayash Ganga 3rd Floor, Plot No.144, Srinagar Colony, Hyderabad-500073, T.S, India | Phone : +91-40-67334400 (30 Lines), Fax : +91-40-67334433
Factory: Sy. No. 133, IDA Bollaram, Jinnaram Mandal, Sangareddy Dist - 502 325. Telangana, India | Tel : +91-08458 279406, Telefax : +91-08458 279516

We request you to take note of the above information on record and acknowledge the receipt of the same.

Thanking you,

Yours Truly,

For Gennex Laboratories Limited



Rajesh Vankadara
Company Secretary &
Compliance Officer
Membership #A44949



**36th Annual Report
(2020-21)**



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GENNEX LABORATORIES LIMITED

Board of Directors & KMP:		
Mr. Arihant Baid	:	Managing Director & Chairman
Mr. T M Gopalakrishnan	:	Whole-Time Director
Mr. Y Ravinder Reddy	:	Independent Director
Ms. Sadhana Bhansali	:	Independent Director & Women Director
Mr. A S Nageswar Rao	:	Independent Director (w.e.f. 21.12.2020)
Mr. A R R Pantulu	:	Non-Executive Director (w.e.f. 21.12.2020)
Mr. K V L N Bhaswanth	:	Chief Operating Officer
Mr. Laxmipat Baid	:	Chief Financial Officer
Mr. Rajesh Vankadara	:	Company Secretary & Compliance Officer
Registered Office Address:		Survey No.133, IDA Bollaram, Jinnaram Mandal, Sangareddy District – 502 325, Telangana State, India.
Corporate Office :		'Akash Ganga', 3 rd Floor, Plot # 144, Srinagar Colony, Hyderabad – 500 073, Telangana State, India.
Statutory Auditors :		M/s. PPKG & Co., Chartered Accountants, 5-8-352, 7 th Floor, Raghava Rathna Towers, Chira Ali Lane, Abids, Hyderabad – 500 001, Telangana.
Secretarial Audit :		CS Rakesh Kumar Gupta, Practising Company Secretary, Room #406 & 407, Sikkim Commerce House, #4/1, Middletown Street, Kolkata – 700 001. West Bengal State, India
Cost Auditors:		Sai Krishna & Associates Cost Accountants
Registrar & Share Transfer Agents	:	R & D Infotech Pvt. Ltd. 1st Floor, 7A, Beltala Road, Naresh Mitra Sarani, Kolkata – 700 026. West Bengal State, India.
Bankers		AXIS Bank, Corporate Banking Branch, Air Conditioned Market, #1, 3rd Floor, Shakespeare Sarani Road, Kolkata – 700 071, West Bengal State, India.
Website		www.gennexlab.com
CIN:		L24230TG1990PLC011168
Stock Exchange Security ID & Scrip Code		Bombay Stock Exchange GENNEX & 531739
ISIN		INE509C01026

Notice of 36th Annual General Meeting

Notice is hereby given that the 36th Annual General Meeting of the Members of **GENNEX LABORATORIES LIMITED** will be held through Video Conferencing (VC) / Other Audio Visual Means (OAVM) on Thursday, September 30, 2021 at 12:30 Hrs to transact the following business:

Ordinary Business:

1. Adoption of financial statements:

To receive, consider, approve and adopt the Standalone and Consolidated Audited Financial Statements of the company for the Financial Year ended March 31, 2021, together with the Reports of the Directors and Auditors thereon.

2. To appoint a Director in the place of Shri T.M.Gopalakrishnan (DIN: 03137458) who retires by rotation being eligible offers himself for re-appointment as Director liable to retire by rotation and in this regard pass the following Resolution as Ordinary Resolution.

“RESOLVED THAT Shri T.M. Gopalakrishnan (DIN: 03137458) be and is hereby re-appointed as Director liable to retire by rotation”

Special Business:

3. Confirmation of Appointment of Dr. Avasarala Ranga Rao Pantulu (DIN: 09003006) as a Director (Non-Executive) of the Company.

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and 161 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and the Rules framed there-under, read with Schedule IV to the Act and Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the consent of the Members of the Company be and is hereby accorded to appoint Dr. Avasarala Ranga Rao Pantulu (DIN: 09003006), who was appointed as an Additional Director of the Company by the Board of Directors on December 21, 2020, in terms of Section 161 of the Companies Act, 2013 and who has not disqualified under the Act and he shall be liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things and give such directions as may be necessary, in the best interests of the Company, for giving effect to the aforesaid Resolution, including but not limited to signing and execution of necessary forms and documents as may be deemed necessary and expedient in its discretion.”

4. Confirmation of Appointment of Shri Amudala Sreeramulu Nageswar Rao (DIN: 07030259) as an Independent Director of the Company.

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and 161 and other applicable provisions, if any, of the Companies Act, 2013 (the “Act”) and the Rules framed there-under, read with Schedule IV to the Act and Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the consent of the Members of the Company be and is hereby accorded to appoint Shri Amudala Sreeramulu Nageswar Rao (DIN: 07030259), who was appointed as an Additional Director of the Company by the Board of Directors on December 21, 2020, in terms of Section 161 of the Companies Act, 2013 and who has submitted a declaration that he meets the criteria of independence under Section 149 (6) of the Companies Act, 2013 and who is eligible for appointment be and is hereby appointed as an Independent Director of the Company, for a period of 5 years upto 40th AGM to be held in 2025 and he shall not be liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds, matters and things and give such directions as may be necessary, in the best interests of the Company, for giving effect to the aforesaid Resolution, including but not limited to signing and execution of necessary forms and documents as may be deemed necessary and expedient in its discretion.”

5. Re-appointment of Shri Arihant Baid (DIN: 01171845), as Managing Director of the Company:

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and Articles of Association of the Company and subject to approvals, if any, as may be required from the Statutory and other authorities concerned, Shri. Arihant Baid (DIN: 01171845) be and is hereby reappointed as Managing Director of the Company for a further period of three years with effect from May 18, 2021, on the following remuneration:

- a. Salary: Rs.2,00,000 Per Month in the scale of Rs.2,00,000–Rs.2,50,000.
- b. Perquisites: As mutually agreed between the Managing Director and the Company, but restricted to 75% of the salary. In addition to this, and subject to the ceiling on the overall remuneration mentioned below, Shri. Arihant Baid, Managing Director will be entitled to reimbursement of actual medical expenses incurred in India or abroad including hospitalization, nursing home and surgical charges for himself and his family.
- c. Commission: At 2 % of the net profit of the Company.

RESOLVED FURTHER THAT in addition to the above remuneration, Shri. Arihant Baid, Managing Director will be eligible for contribution to PF, Superannuation Fund or Annuity to the extent these are not taxable, gratuity at a rate not exceeding half a month’s salary for each completed year of service and encashment of leave at the end of his tenure.

RESOLVED FURTHER THAT the overall remuneration i.e. the aggregate of salary, perquisites and commission payable to Shri. Arihant Baid, Managing Director in any one financial year shall not exceed the limits prescribed under Section 196, 197 and other applicable provision of the Companies Act, 2013 read with its Schedule V as in force from time to time.

RESOLVED FURTHER THAT where in any financial year during Shri. Arihant Baid tenure as the Managing Director, the Company has no profits or its profits are inadequate, the remuneration payable to him for the said financial year will be restricted to the limits inadequate, the remuneration payable to him for the said financial year will be restricted to the limits prescribed in Section II of Part II of the Schedule V to the Companies Act, 2013 or any amendments, if any, thereof for the time being in force.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter or vary the scope of remuneration of Shri. Arihant Baid, Managing Director including the monetary value thereof, to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate, subject to the overall limits specified by this resolution and the Companies Act, 2013.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to the above resolutions.

6. Re-appointment of Shri T M Gopalakrishnan (DIN: 03137458), as Whole-time Director of the Company:

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and Articles of Association

of the Company and subject to approvals, if any, as may be required from the statutory and other authorities concerned, Shri. T M Gopalakrishnan (DIN: 03137458) be and is hereby reappointed as Whole-time Director of the Company for a further period of three years with effect from May 18, 2021, on the following remuneration:

- a. Salary: Rs.2,00,000 Per Month in the scale of Rs.2,00,000–Rs.2,50,000.
- b. Perquisites: As mutually agreed between the Whole-time Director and the Company, but restricted to 75% of the salary. In addition to this, and subject to the ceiling on the overall remuneration mentioned below, Shri. T M Gopalakrishnan, Whole-time Director will be entitled to reimbursement of actual medical expenses incurred in India or abroad including hospitalization, nursing home and surgical charges for himself and his family.
- c. Commission: At 2 % of the net profit of the Company.

RESOLVED FURTHER THAT in addition to the above remuneration, Shri. T M Gopalakrishnan, Whole-time Director will be eligible for contribution to PF, Superannuation Fund or Annuity to the extent these are not taxable, gratuity at a rate not exceeding half a month's salary for each completed year of service and encashment of leave at the end of his tenure.

RESOLVED FURTHER THAT the overall remuneration i.e. the aggregate of salary, perquisites and commission payable to Shri. T M Gopalakrishnan, Whole-time Director in any one financial year shall not exceed the limits prescribed under Section 196, 197 and other applicable provision of the Companies Act, 2013 read with its Schedule V as in force from time to time.

RESOLVED FURTHER THAT where in any financial year during Shri. T M Gopalakrishnan tenure as the Whole-Time Director, the Company has no profits or its profits are inadequate, the remuneration payable to him for the said financial year will be restricted to the limits inadequate, the remuneration payable to him for the said financial year will be restricted to the limits prescribed in Section II of Part II of the Schedule V to the Companies Act, 2013 or any amendments, if any, thereof for the time being in force.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter or vary the scope of remuneration of Shri. Arihant Baid, Managing Director including the monetary value thereof, to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate, subject to the overall limits specified by this resolution and the Companies Act, 2013.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to the above resolutions.

7. Adoption of Object clause of Memorandum of Association as per provisions of Companies Act, 2013:

To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Section 13, 15 and other applicable provisions read with the rules and regulations made there under including any amendment, re-enactment or statutory modification thereof, and subject to such other requisite approvals, if any, in this regard from appropriate authorities and terms(s), condition(s), amendment(s), modification(s), as may be required or suggested by any such appropriate authorities, and agreed to by the Board of Directors of the Company (hereinafter referred to as “Board” which term shall include any Committee), consent of the members be and is hereby accorded to adopt the new Memorandum of Association in place of the existing Memorandum of Association with no change in existing Clause III (A) containing the Main Objects sub-clause no. 1 to 5, copy of which is placed before the meeting.

RESOLVED FURTHER THAT the existing Clause III B containing the “Objects Incidental or Ancillary to the attainment of Main Objects” sub-clause no. 1 to 32 be and is hereby stands deleted and replaced by New Clause III (B) “Matters which are necessary for furtherance of the Objects specified in Clause III (A) containing the sub-clause no. 1 to 30.

RESOLVED FURTHER THAT the existing Clause III C containing the “Other Objects” sub clause no. 1 to 7 be and is hereby also stands deleted in full.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

8. Adoption of new set of Articles of Association as per provisions of Companies Act, 2013

To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013, read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and subject to such other requisite approvals, if any, in this regard from appropriate authorities and terms(s), condition(s), amendment(s), modification(s), as may be required or suggested by any such appropriate authorities, and agreed to by the Board of Directors of the Company (hereinafter referred to as “Board” which term shall include any Committee), the consent of the members of the Company be and is hereby accorded to adopt new set of Article of Association in place of existing Articles of Association of the Company as per the provisions of the companies act, 2013, copy of which is placed before the meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

9. To Increase the Authorised Share Capital of the Company and consequential amendment the Capital clause in Memorandum of Association of the Company

To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 61 and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) and the Rules framed thereunder, subject to the consent of the members of the Company and such other requisite approvals, If any, be and is hereby accorded for increase in the Authorised Share Capital of the Company from existing Rs. 16,00,00,000 (Rupees Sixteen crore) divided into 16,00,00,000 (Sixteen Crore) Equity Shares of Rs.1/- each to Rs. 20,00,00,000 (Rupees Twenty Crore) divided into 20,00,00,000 (Twenty Crore) Equity Shares of Rs. 1/- each ranking pari passu in all respect with the existing Equity Shares of the Company as per the Memorandum and Articles of Association of the Company.

RESOLVED FURTHER THAT pursuant to Section 13 and all other applicable provisions, if any, of the Companies Act, 2013, consent of the members of the Company be and is hereby accorded, for alteration of Clause V of the Memorandum of Association of the Company by substituting in its place and stead the following:-

“V. The Authorised Share Capital of the Company is Rs.200,000,000/- (Rupees Twenty Crores Only) divided into 200,000,000 (Twenty Crores) Equity Shares of Rs.1/- (Rupees (One) each with power to increase and reduce the capital of the company and to divide the shares in the capital for the time being into different classes and to attach thereto respectively such preferential or special rights or privileges or conditions as may be determined by or in accordance with the regulations of the company.”

RESOLVED FURTHER THAT approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection including seeking all necessary approvals to give effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard.”

10. To consider approval of the consequent alteration to the Articles of Association of the Company

To consider, and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of section 14, 61 and other applicable provisions of the Companies Act, 2013, (including any statutory modification(s) or re-enactment (s) thereof for the time being in force), and the Rules made thereunder consent of the Company be and is hereby accorded, subject to the approval of the members of the Company and such other requisite approvals, If any, to delete the existing Article 4 (i) of the

Articles of Association of the Company and substitute in its place the following Article 4(i):

“4(i): The Authorised Share Capital of the Company is Rs. 200,000,000/- (Rupees Twenty Crores only) divided into 200,000,000/- (Twenty Crores only) Equity Shares of Rs. 1/- (Rupees One only) each, with power to increase or reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions, as may be determined and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the Company.”

RESOLVED FURTHER THAT any Director of the Company or the Company Secretary, be and are hereby severally authorised to do all such acts, deeds, matters and things as may be necessary and incidental to give effect to this resolution.”

11. Remuneration to Cost Auditors of the Company.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 148 and 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(s) thereof, for the time being in force), M/s. Sai Krishna & Associates, Cost Accountants (Registration No.001742), appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company, be paid a remuneration, for the Financial Year ending March 31, 2022, on a remuneration of Rs.50,000/- (Rupees Fifty Thousand Only) Plus Goods and Service Tax & reimbursement of out of pocket expenses, charges for Cost Audit Report CRA-4 (XBRL) filing is Rs.10,000/- plus applicable GST in connection with the aforesaid audit.”

By Order of the Board of Directors
for Gennex Laboratories Limited

Place: Hyderabad

Date: September 06, 2021

Arihant Baid

Managing Director

DIN: 01171845

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Act and Rules framed thereunder, in respect of the Special Business under Item No. 3 & 11 is annexed hereto. The recommendation of the Board of Directors of the Company (the “Board”) in terms of Regulation 17(11) of the Listing Regulations is also provided in the said Statement. Necessary information of the Directors seeking re-appointment at the AGM as required under Regulation 36(3) of the Listing Regulations and the Revised Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI) is also appended to the Notice.
2. Due to on-going threat of COVID -19 pandemic, the Ministry of Corporate Affairs (“MCA”) and Securities and Exchange Board of India (“SEBI”) have vide various circulars, allowed companies:
 - i. to send the annual reports to shareholders who have registered their email ID with the Company / Depositories only on email; and
 - ii. to hold Annual General Meeting (“AGM”) through VC or OAVM without the physical presence of members at a common venue.

Hence, in accordance with these Circulars, the 36th AGM of the Members of the Company is being held through VC / OAVM. The venue of the Meeting shall be deemed to be the registered office of the Company. The detailed procedure for participating in the meeting through VC / OAVM is annexed herewith and available at the Company’s website www.gennexlab.com.

3. IN TERMS OF THE MCA CIRCULARS AND SEBI CIRCULAR NO. SEBI/HO/CFD/CMD1/CIR/P/2020/79 DATED MAY 12, 2020, THE REQUIREMENT OF SENDING PROXY FORMS TO HOLDERS OF SECURITIES AS PER PROVISIONS OF SECTION 105 OF THE ACT READ WITH REGULATION 44(4) OF THE LISTING REGULATIONS, HAS BEEN DISPENSED WITH. THEREFORE, THE FACILITY TO APPOINT PROXY BY THE MEMBERS WILL NOT BE AVAILABLE AND CONSEQUENTLY, THE PROXY FORM AND ATTENDANCE SLIP ARE NOT ANNEXED TO THIS NOTICE CONVENING THE 36TH AGM OF THE COMPANY (THE "NOTICE").

However, in pursuance of Section 113 of the Act and Rules framed thereunder, the corporate members are entitled to appoint authorized representatives for the purpose of voting through remote e-Voting or for the participation and e-Voting during the AGM, through VC or OAVM. Institutional Shareholders (i.e., other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF / JPG Format) of the relevant Board Resolution / Power of Attorney / appropriate Authorization Letter together with attested specimen signature(s) of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at capankajchandak1@gmail.com; with a copy marked to evoting@nsdl.co.in

4. Since the AGM will be held through VC or OAVM, no Route Map is being provided with the Notice.
5. In case of Joint-holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote during the AGM.

6. Dispatch of Annual Report through E-mail

In accordance with the MCA Circulars and the said SEBI Circular dated May 12, 2020, the Notice alongwith the Annual Report of the Company for the financial year ended March 31, 2021, will be sent only through e-mail, to those Members whose e-mail addresses are registered with the Company or the Registrar and Share Transfer Agent (the "RTA"), i.e., M/s. R & D Infotech Private Limited or the Depository Participant(s). The Notice and the Annual Report for the financial year ended March 31, 2021, shall be available on the websites of the Company viz., www.gennexlab.com and of the Stock Exchanges where Equity Shares of the Company are listed. The Notice shall also be available on the e-Voting website of the agency engaged for providing e-Voting facility, i.e., National Securities Depository Limited (NSDL), viz., www.evoting.nsdl.com

7. PROCEDURE FOR ATTENDING THE AGM THROUGH VC OR OAVM

Members will be able to attend the AGM through VC or OAVM or view the live webcast of the AGM provided by NSDL at <https://www.evoting.nsdl.com> by using their remote e-Voting login credentials and selecting the EVEN for the AGM.

Further details in this regard are annexed separately and form part of this Notice.

8. PROCEDURE FOR REMOTE E-VOTING AND E-VOTING DURING THE AGM

In accordance with the provisions of Section 108 and other applicable provisions, if any, of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014 and amendments thereto, read together with the MCA Circulars and Regulation 44 of the Listing Regulations, the Company has engaged the services of NSDL to provide remote e-Voting facility and e-Voting facility during the AGM to all the eligible Members to enable them to cast their votes electronically in respect of the businesses to be transacted at the Meeting. **The instructions to cast votes through remote e-Voting and through e-Voting system during the AGM are annexed separately and form part of this Notice.**

The remote e-Voting period will commence on Monday, September 27, 2021 (09:00 A.M. IST) and will end on Wednesday, September 29, 2021 (5:00 P.M. IST). During this period, the Members of the Company, holding shares either in physical or dematerialized mode, as on the cut-off date, i.e., Tuesday, September 21, 2021, may cast their vote by remote e-Voting. The remote e-Voting module shall be disabled by NSDL for voting thereafter.

Only those Members who are present in the Meeting through VC or OAVM facility and have not cast their votes on resolutions through remote e-Voting and are otherwise not barred from doing so, shall be allowed to vote through e-Voting system during the AGM. However, Members who would have cast their votes by remote e-Voting may

attend the Meeting, but shall neither be allowed to change it subsequently nor cast votes again during the Meeting and accordingly, their presence shall also be counted for the purpose of quorum under Section 103 of the Act. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on **Tuesday, September 21, 2021**, being the cut-off date, are entitled to vote on the Resolutions set forth in the Notice. The voting rights of the Members shall be in proportion to their share(s) of the paid-up equity share capital of the Company as on the cut-off date. **A person who is not a member as on the cut-off date, i.e., Tuesday, September 21, 2021 should treat this Notice for information purpose only.**

The Board of Directors has appointed Shri CA Pankaj Chandak, appoint, as the Scrutinizer for scrutinizing the process of remote e-Voting and also e-Voting during the Meeting in a fair and transparent manner. The Scrutinizer shall, immediately after the conclusion of the Meeting, count the votes cast at the Meeting and thereafter, unblock the votes cast through remote e-Voting in presence of at least two witnesses not in employment of the Company and submit a Consolidated Scrutinizer's Report of the total votes cast in favor or against, if any, not later than 48 hours after the conclusion of the Meeting. Thereafter, the Results of e-Voting shall be declared forthwith by the Chairman or by any other director/person duly authorised in this regard. The Results declared along with the Report of the Scrutinizer shall be placed on the Company's website (www.gennexlab.com) and on the e-Voting website of NSDL (www.evoting.nsdl.com) immediately after the results are declared and shall simultaneously be communicated to the Stock Exchanges where the equity shares of the Company are listed. The results declared along with the said Report shall also be made available for at least 3 days on the Notice Boards of the Company at its Registered Office in Hyderabad and at the Corporate Office in Hyderabad.

Subject to the receipt of requisite number of votes, the businesses mentioned in the Notice / the resolution(s) forming part of the Notice shall be deemed to be passed on the date of the AGM, i.e., Thursday, September 30, 2021.

Members holding shares in physical mode or whose e-mail addresses are not registered, may cast their votes through e-Voting system, after registering their e-mail addresses by sending the following documents to the Company at share. investorrelations@gennexlab.com/cs@gennexlab.com; or to the RTA at info@rdinfotech.net :

- i. Scanned copy of a signed request letter, mentioning the name, folio number/demat account details & number of shares held and complete postal address;
- ii. Self-attested scanned copy of PAN Card; and
- iii. Self-attested scanned copy of any document (such as AADHAAR card / latest Electricity Bill / latest Telephone Bill / Driving License / Passport / Voter ID Card / Bank Passbook particulars) in support of the postal address of the Member as registered against their shareholding.

Members, who hold shares in physical mode and already having valid e-mail addresses registered with the Company / the RTA, need not take any further action in this regard.

9. Procedure to raise Questions / seek Clarifications

- a) As the AGM is being conducted through VC or OAVM, the Members are encouraged to express their views / send their queries well in advance for smooth conduct of the AGM but not later till the Conclusion of the AGM, mentioning their names, folio numbers / demat account numbers, e-mail addresses and mobile numbers at investorrelations@gennexlab.com; and only such questions / queries received by the Company till the said date and time shall be considered and responded during the AGM.
- b) Members willing to express their views or ask questions during the AGM are required to register themselves as speakers by sending their requests from Tuesday, September 21, 2021 (9:00 A.M. IST) to till the conclusion of AGM at investorelations@gennexlab.com; from their registered e-mail addresses mentioning their names, folio numbers/demat account numbers, PAN details and mobile numbers. Only those Members who have registered themselves as speakers will be allowed to express their views/ask questions during the AGM. The Chairman of the Meeting / the Company reserves the right to restrict the number of questions, time allotted and number of speakers to ensure smooth conduct of the AGM.

- c) Members seeking any information on the financial accounts, operations or any matter to be placed at the AGM, are requested to write to the Company till the Conclusion of AGM through e-mail at investorrelations@gennexlab.com and the same will be suitably replied by the Company.

10. Procedure for inspection of documents

All documents referred to in the Notice and the Explanatory Statement shall be made available for inspection by the Members of the Company, without payment of fees upto and including the date of AGM. Members desirous of inspecting the same may send their requests at investorrelations@gennexlab.com from their registered e-mail addresses mentioning their names and folio numbers / demat account numbers.

During the AGM, the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts or arrangements in which Directors are interested maintained under Section 189 of the Act shall be made available for inspection upon login at NSDL e-Voting system at <https://www.evoting.nsdl.com>

11. Book Closure Period

The Share Transfer Books and Register of Members of the Company will remain closed from Thursday, September 23, 2021 to Thursday, September 30, 2021 (both days inclusive) for the purpose of the AGM.

- a. those Members whose names appear in the Register of Members of the Company at the end of business hours on Tuesday, September 21, 2021, after giving effect to all valid share transfers in physical mode lodged with the Company/the RTA on or before Tuesday, September 21, 2021.
- b. those 'Beneficial Owners' entitled thereto, in respect of shares held in demat mode, whose names shall appear in the statements of beneficial ownership at the end of business hours on Tuesday, September 21, 2021 as furnished by respective Depositories, viz., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Members holding shares in the demat mode should update their e-mail addresses and Bank mandates directly with their respective Depository Participants.

Pursuant to the changes introduced by the Finance Act, 2020 in the Income-tax Act, 1961 (the "IT Act"), w.e.f. April 1, 2020, the dividend paid or distributed by a company shall be taxable in the hands of the shareholders. Accordingly, in compliance with the said provisions, the Company shall make the payment of dividend after necessary deduction of tax at source. The withholding tax rates would vary depending on the residential status of every shareholder and the eligible documents submitted by them and accepted by the Company. Members are hereby requested to refer to the IT Act in this regard. In general, to enable compliance with TDS requirements, Members are requested to update the details like Residential Status, PAN and category as per the IT Act with their Depository Participants or in case shares are held in physical mode, with the Company / RTA

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by e-mail to info@rdinfotech.net on or before Tuesday, September 21, 2021. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%. However, in case of individuals, TDS would not apply if the aggregate of total dividend distributed to them during financial year 2020-21 does not exceed Rs. 5,000. Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents, i.e., No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by e-mail to info@rdinfotech.net on or before Tuesday, September 21, 2021.

12. Nomination Facility

Members holding shares under a single name in physical mode are advised to make nomination in respect of their shareholding in the Company. The Nomination Form can be downloaded from the Company's website, i.e., www.gennexlab.com from "Investor Information" under "Investor Relations" category. Members holding shares in demat mode should file their nomination with their respective Depository Participant(s).

13. Pursuant to Regulation 40 of the Listing Regulations, the securities of listed companies can be transferred only in the dematerialized mode w.e.f. April 1, 2019, except in case of transmission or transposition of securities. In this regard, SEBI has clarified by a Press Release No. 12/2019 dated March 27, 2019, that the said amendments do not prohibit an investor from holding the shares in physical mode and the investor has the option of holding shares in physical mode even after April 1, 2019. However, any investor who is desirous of transferring shares (which are held in physical mode) after April 1, 2019 can do so only after the shares are dematerialized. However, requests for transfer of shares held in physical mode, as filed in Form SH-4, prior to April 1, 2019 and returned to the investors due to deficiency in the documents, may be resubmitted for transfer even after April 1, 2019 provided it is submitted alongwith the necessary documents including PAN details. In exceptional cases, the transfer of physical shares is subject to the procedural formalities as prescribed under SEBI Circular No. SEBI/HO/MIRSD/DOS3/CIR/P/2018/139 dated November 6, 2018.

THE FOLLOWING INSTRUCTIONS SHOULD BE READ IN CONJUNCTION WITH THE NOTICE OF 36TH ANNUAL GENERAL MEETING OF GENNEX LABORATORIES LIMITED DATED SEPTEMBER 30, 2021:

VOTING THROUGH ELECTRONIC MEANS

1. 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 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 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.
2. Pursuant to the Circular No. 14/2020 dated April 08, 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.
3. 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.
4. 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.
5. 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 08, 2020, April 13, 2020 and May 05, 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 authorized 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.

6. 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.gennexlab.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.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.
7. 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 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 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 Monday, September 27, 2021 at 09:00 A.M. and ends on Wednesday, September 29, 2021 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. Tuesday, September 21, 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being September 21, 2021.

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

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

Step 1: Access to NSDL e-Voting system

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

In terms of SEBI circular dated 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:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> 1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under “IDeAS” section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS” Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> 1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.

<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. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>
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Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

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

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

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

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

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 :

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

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

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

6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
 - a) Click on “[Forgot User Details/Password?](#)” (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) [Physical User Reset Password?](#)” (If you are holding shares in physical mode) option available on 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 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?

- a) 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.
- b) Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
- c) Now you are ready for e-Voting as the Voting page opens.
- d) 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.
- e) Upon confirmation, the message “Vote cast successfully” will be displayed.
- f) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- g) 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 authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to capankajchandak1@gmail.com; with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to (Name of NSDL Official) at evoting@nsdl.co.in.

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to investorrelations@gennexlab.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 investorrelations@gennexlab.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated 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 EGM/AGM ARE AS UNDER:-

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

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

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

ANNEXURE TO NOTICE OF AGM

Statement pursuant to Section 102(1) of the Companies Act, 2013 (“the Act”)

Item no. 3:

The Board of Directors of the Company at their Meeting held on December 21, 2020 have appointed Dr. Avasarala Ranga Rao Pantulu (DIN: 0900300) as a Non Executive Director of the Company, subject to the members approval.

Dr. Avasarala Ranga Rao Pantulu, 75 years, is currently Non-Executive & Non-Independent director of the company. As per Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, directorship of any person as a Non-Executive Director who has attained the age of 75 years can't be continued, unless a special resolution to that effect is passed by the members.

Dr. Avasarala Ranga Rao Pantulu has been associated with the company and has contributed immensely for the growth and development of the company. He continues to contribute with his core competencies in the fields of Formulations and also provides wise counsels to the management in Production affairs.

He is having sound mental and physical health and it would be in the interest of the company to continue to avail his valuable expertise and core competence. He has expressed his willingness to continue as Non-Executive Director beyond 75 years of age.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives, are in any way concerned or interested, financially or otherwise in the said resolution.

The Board recommends the special resolution at item no. 3 of accompanying notice for approval of members of the company

Item No.4:

The Board of Directors of the Company at their Meeting held on December 21, 2020 have appointed Shri Amudala Sreeramulu Nageswar Rao (DIN: 07030259) as an Independent Director of the Company for a period of 5 years subject to the members approval.

Board proposes to appoint Shri Amudala Sreeramulu Nageswar Rao as Independent Director for another term of 5 years. The Company has received from Shri Amudala Sreeramulu Nageswar Rao, consent in writing to act as a Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 and Intimation in Form DIR-8 pursuant to terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified as per Section 164(2) of the Companies Act, 2013; and a declaration to the effect that he meets the criteria of independence as provided under Section 149 of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Nomination and Remuneration Committee and Board of Directors at their meetings held on December 21, 2020 on the basis of the report of performance evaluation of Independent Directors have recommended the appointment of Shri Amudala Sreeramulu Nageswar Rao as an Independent Director for a period of 5 years effective from December 21, 2020 upto December 20, 2025.

In the opinion of the Board, Shri Amudala Sreeramulu Nageswar Rao fulfills the conditions specified in the Companies Act, 2013 and the Rules framed there under and Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for appointment as an Independent Director and he is independent of the management.

He is not holding any equity shares of the Company and he is not related to any Director of the Company. As per the provisions of Section 149 of the Companies Act, 2013, an Independent Director shall be eligible for appointment subject to approval of shareholders by way of a Special Resolution.

The Resolution set out at Item No. 4 of the notice is put forth for consideration of the members as a Special Resolution pursuant to Section 149 read with Schedule IV of the Companies Act, 2013 for appointment of Shri Amudala Sreeramulu Nageswar Rao as an Independent Director.

The terms and conditions of re-appointment of Shri Amudala Sreeramulu Nageswar Rao shall be open for inspection by the Members at the Registered Office of the Company during normal business hours on any working day. Save and except Shri Amudala Sreeramulu Nageswar Rao and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are in any way, concerned or interested, financially or otherwise, in the resolution set out at item No.4 of the Notice.

The Board of Directors of the Company recommends the resolution at Item No. 4 for approval of the members as Special Resolution.

Item No. 5:

Shri ARIHANT BAID was appointed as the Managing Director of the Company for a period of three (3) years with effect from 18/05/2018 on the terms and conditions and remuneration as approved by the Members at the Annual General Meeting held on August 09, 2018.

As such, the present term of office of Shri ARIHANT BAID shall expire on 17/05/2021. Shri ARIHANT BAID has been associated with the Company since 2012 and currently holds overall responsibility for the working of the Company.

Keeping in view the contribution made by Shri ARIHANT BAID for the growth of the Company, the Board of Directors of the Company and the Nomination and Remuneration Committee have recommended the reappointment of Shri ARIHANT BAID for a period of three (3) years effective from May 18, 2021, who shall be liable to retire by rotation, with terms and conditions as mentioned in the above Resolution No 5.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives, are in any way concerned or interested, financially or otherwise in the said resolution.

The consent of the members is, therefore, being sought for passing the aforesaid resolution of the notice as a Special Resolution.

Item No. 6:

Shri T.M. Gopalakrishnan was appointed as the Whole Time Director of the Company for a period of three (3) years with effect from 18/05/2018 on the terms and conditions and remuneration as approved by the Members at the Annual General Meeting held on August 09, 2018.

As such, the present term of office of Shri T.M. Gopalakrishnan shall expire on 17/05/2021. Shri T.M. Gopalakrishnan has been associated with the Company since 2012 and Shri Tiruvarur Muralidharan Gopalakrishnan has 40 years of wide experience in Pharmaceutical Industry and has vast chemical knowledge. He has the educational qualification of M.Tech. in Chemical Engineering. The Nomination and Remuneration Committee and Board of Directors recommend passing of the resolution set out in Item 6 of the Notice.

Excepting Shri T.M. Gopalakrishnan, no other Director is concerned or interested in this resolution. Keeping in view the contribution made by Shri Tiruvarur Muralidharan Gopalakrishnan for the growth of the Company, the Board of Directors of the Company and the Remuneration Committee have recommended the reappointment of Shri T.M. Gopalakrishnan for a period of three (3) years effective from 18th May 2021, who shall be liable to retire by rotation with terms and conditions as mentioned in the above Resolution No. 6.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives, are in any way concerned or interested, financially or otherwise in the said resolution.

The consent of the members is, therefore, being sought for passing the aforesaid resolution of the notice as a Special Resolution.

Item No.7:

The object clause (Clause III) of the Memorandum of Association ("MOA") of the Company, as presently in force, is based on the erstwhile Companies Act, 1956. According to the Companies Act, 2013, the companies are required to have only "the objects to be pursued by the company and matters which are necessary for furtherance of the objects specified". Further in terms of provisions of the Companies Act, 2013, MOA shall not consist of other object clause.

Therefore, it is considered expedient to replace the existing MOA by a new set MOA to incorporate the aforesaid object clause as per the Companies Act, 2013.

The new set of MOA to be substituted in place of the existing MOA are in the format prescribed under 'Table A' of the Act which sets out the model MOA for a Company limited by shares. Copy of the draft Memorandum of Association of the Company would be available for inspection by the members at the Registered Office/Corporate Office of the Company on any working day between 2 P.M. to 4 P.M. upto and including the date of AGM and also at the venue of the meeting.

None of the Directors or Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice.

The consent of the members is, therefore, being sought for passing the aforesaid resolution of the notice as an Special Resolution.

ITEM No.8:

The Articles of Association ("AOA") of the Company as presently in force are based on the erstwhile Companies Act, 1956 and several regulations in the existing AOA are no longer in conformity with the Companies Act, 2013. Further several regulations / articles of the existing AOA of the Company require alteration or deletion pursuant to changes in applicable laws. Therefore, it is considered expedient to wholly replace the existing AOA by a new set of Articles.

The new set of AOA to be substituted in place of the existing AOA. Copy of the draft Articles of Association of the Company would be available for inspection by the members at the Registered Office/ Corporate Office of the Company on any working day between 2 P.M. to 4 P.M. upto and including the date of AGM and also at the venue of the meeting

None of the Directors or Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of the Notice.

The consent of the members is, therefore, being sought for passing the aforesaid resolution of the notice as an Special Resolution.

Item No. 9:

The present Authorised Share Capital of the Company is Rs. 16,00,00,000 (Rupees Sixteen crore) comprising of 16,00,00,000 (Sixteen crore) Equity Shares of Rs.1/- each.

Considering the increased fund requirements of the Company, the Board at its Meeting held on September 06, 2021, had accorded its approval for increasing the Authorised Share Capital from Rs. 16,00,00,000 (Rupees Sixteen crore) to Rs. 20,00,00,000 (Rupees Twenty Crore) by creation of 4,00,00,000 (Four Crore) additional equity share of Rs.1/- each, subject to shareholders approval.

It is therefore proposed to increase the Authorised Share Capital of the Company from Rs. 16,00,00,000 (Rupees Sixteen crore) to Rs. 20,00,00,000 (Rupees Twenty Crore) by creation of 4,00,00,000 (Four Crore) additional equity share of Rs.1/- each ranking pari-passu with the existing Equity Shares in all respects as per the Memorandum and Articles of Association of the Company.

Consequently, Clause V of the Memorandum of Association would also require alteration so as to reflect the changed Authorised Share Capital.

The proposal for increase in Authorised Share Capital and amendment of Memorandum of Association of the Company requires approval of members at a general meeting.

A draft proposed copy of the Memorandum of Association of the Company duly amended will be available for inspection in the manner provided in the note no. 7 to this Notice.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives, are in any way concerned or interested, financially or otherwise in the said resolution.

The consent of the members is, therefore, being sought for passing the aforesaid resolution of the notice as an Ordinary Resolution.

Item No. 10:

An alteration to the Capital Clause of the Memorandum of Association of the Company consequent to the increase in the authorized share capital would also require an alteration to Clause 3 of the Articles of Association of the Company.

Pursuant to Section 14 of the Companies Act, 2013, an alteration to the Articles of Association requires approval of the shareholders by way of special resolution.

The Board of Directors of the Company recommends the resolutions as set out at Item no.8 in the accompanying Notice for approval of the members.

None of the Directors or Key Managerial Personnel or their relatives may be deemed to be concerned or interested in the said resolution except to the extent of their shareholding in the Company, if any.

The consent of the members is, therefore, being sought for passing the aforesaid resolution of the notice as an Special Resolution.

Item No. 11:

The Board of Directors at its Meeting held on September 06, 2021, upon the recommendation of the Audit Committee, approved the appointment of M/s. Sai Krishna & Associates, Cost Accountants (Registration No.001742), to conduct the audit of the Cost records of the Company on a remuneration of Rs.50,000/- (Indian Rupees Fifty Thousand Only) (excluding all applicable taxes and reimbursement of out of pocket expenses) for the financial year ending March 31, 2022. In terms of the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, (as amended or re-enacted from time to time) the remuneration as mentioned above, payable to the Cost Auditor is required to be approved by the Members of the Company. Accordingly, the Members are requested to approve the remuneration payable to the Cost Auditors for the financial year ending March 31, 2022, as set out in the Ordinary Resolution for the aforesaid services to be rendered by them.

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

The Board of Directors of the Company recommends the resolution at Item No.11 for approval of the members as Ordinary Resolution.

By Order of the Board of Directors
for Gennex Laboratories Limited

Place: Hyderabad

Date : September 06, 2021

Arihant Baid
Managing Director
DIN: 01171845

Additional information on Directors recommended for appointment / re-appointment as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 and Secretarial Standard-2

Name of the Director	Arihant Baid
DIN	01171845
Nationality	Indian
Date of Birth	25.05.1986
Date of Appointment	18.05.2012
Age	34 years
Qualification	-Masters in Corporate Strategy and Governance - Nottingham University Business School, United Kingdom (UK). -Certificate in Marketing Communications in French Markets -ESC Bretagne University, France. - Bachelors in Business Administration (Management and International Business)-RMIT, University of Melbourne, Australia.
Experience	12 Years in Marketing
Relationship with other director/Manager and other KMP	No relationship
No of Shares held	100 Equity Shares
Directorships of other Board	a. Regent Finance Corporation Private Limited b. India Securities Broking Private Limited c. Premier Fiscal Services Private Limited d. Premier Industrial Commercial & Credit Private Limited e. VAB Reality Private Limited f. Prudential Holdings Private Limited
Membership/Chairmanship of Committees of other Board	NIL
Terms and Conditions of Appointment	Executive, Non-Independent Director, liable to retire by Rotation
Remuneration details (Including Sitting Fees & Commission)	Refer Notice

Name of the Director	Tiruvarur Muralidharan Gopalakrishnan
DIN	03137458
Nationality	Indian
Date of Birth	09.07.1951
Date of Appointment	18.05.2012
Age	70 years
Qualification	M.Tech in Chemical Engineering
Experience	40 Years in Chemical Engineering
Relationship with other director/Manager and other KMP	No relationship
No of Shares held	100 Equity Shares
Directorships of other Board	a. Deccan Remedies Limited
Membership/Chairmanship of Committees of other Board	Audit Committee
Terms and Conditions of Appointment	Executive, Non-Independent Director, liable to retire by Rotation
Remuneration details (Including Sitting Fees & Commission)	Refer Notice

Name of the Director	Dr. Avasarala Ranga Rao Pantulu
DIN	09003006
Nationality	Indian
Date of Birth	01.06.1943
Date of Appointment	21.12.2020
Age	78 years
Qualification	B.Sc. (Hons), A.I.C., Ph.D.
Experience	More than 46 Years in Chemical Engineering
Relationship with other director/Manager and other KMP	No relationship
No of Shares held	NIL
Directorships of other Board	NIL
Membership/Chairmanship of Committees of other Board	a. Nomination and Remuneration Committee b. Stakeholders Relationship Committee
Terms and Conditions of Appointment	Non-Executive, Non-Independent Director, liable to retire by Rotation
Remuneration details (Including Sitting Fees & Commission)	Refer Notice

Name of the Director	Mr. Amudala Sreeramulu Nageswar Rao
DIN	07030259
Nationality	Indian
Date of Birth	20.05.1956
Date of Appointment	21.12.2020
Age	65 years
Qualification	Masters in Commerce, CA, CS & IIB
Experience	More than 30 Years in Finance & Banking
Relationship with other director/Manager and other KMP	No relationship
No of Shares held	NIL
Directorships of other Board	a. KMC Constructions Limited b. KMC Infratech Limited c. Thrissur Expressway Limited d. Basel Practitioners Private Limited e. Adwaita Global Business Private Limited f. GVR Power Infra Projects Limited g. Aanchal Collection Limited
Membership/Chairmanship of Committees of other Board	a. Audit Committee b. Nomination and Remuneration Committee c. Stakeholders Relationship Committee
Terms and Conditions of Appointment	Non-Executive, Independent Director, Not liable to retire by Rotation
Remuneration details (Including Sitting Fees & Commission)	Refer Notice

Note: Pursuant to Regulation 26 of the SEBI Listing Regulations 2015, for the purpose of determination of limit, chairpersonship and membership of the Audit Committee and the Stakeholders Relationship Committee alone has been considered.

Except Shri Arihant Baid and their relatives, none of the other Directors/Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at item No. 5, of the notice.

By Order of the Board of Directors
for Gennex Laboratories Limited

Place: Hyderabad

Date: September 06, 2021

Arihant Baid
 Managing Director
 DIN: 01171845

DIRECTORS' REPORT

To
The Members of
Gennex Laboratories Limited.

Your Directors are pleased to present the 36th Annual Report and the Standalone and Consolidated Audited Financial Statements for the Financial Year ended March 31, 2021.

Financial Highlights and Performance:

1. Financial Results

Rs. in Lakhs

PARTICULARS	Standalone		Consolidated	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Revenue from Operations	5,964.90	5,561.73	5,964.90	5,561.73
Other Income	52.44	95.14	52.44	95.14
Total Income	6,017.34	5,656.87	6,017.34	5,656.87
Share of Profit/(Loss) of Associates	0	0	0	0
Profit before Finance Cost, Depreciation and Tax Expense	668.64	430.72	668.64	430.72
Finance Cost	74.35	75.36	74.35	75.36
Depreciation	88.07	100.5	88.07	100.5
Tax Expenses	102.40	69.23	102.40	69.23
Net Profit after Tax for the year	403.82	185.63	403.82	185.63
Other Comprehensive Income /(Loss) (net of tax)	0	0	0	0
Total Comprehensive Income	403.82	185.63	403.82	185.63

Review of operations:

Your Directors wish to present the details of Business operations done during the year under review:

During the year under review your Company has recorded a total Revenue of Rs. 6,017.34 lakhs as against Rs.5,656.87 lakhs in the previous year, and the company has recorded the Profit before Finance Cost, Depreciation and Tax Expenses of Rs.668.64 lakhs (2020-21) as against Rs. 430.72 lakhs (2019-20). In the current year the Net profit is Rs.403.82 Lakhs against the previous year Rs. 185.63 lakhs.

There is a 117% increment in the Profit during the year under review and the all efforts are being made to make the Company to be reckoned with in the Pharma Arena and your Directors are hopeful of the our Company would be making better performances with profits in the coming years.

Future Outlook

The Management of the Company is making all its efforts for adding additional APIs for manufacturing by enhancing the production capacities and increased R & D efforts for which the Management is also exploring the possibilities of various options to raise the required funds.

Kothur Unit: The Management of the Company is making all its efforts to clear all liabilities and fund the unit at Kothur near Zaheerabad by bringing back to its full 100% operational capacity. The Management and Technical team are keeping their full efforts to run the plant, due to COVID-19 Pandemic all strategic plans of the Company got delayed. Management is hopeful to start its operations by the end of year 2022.

The Management is looking for establishing an US (FDA) approved Plant with also approvals from EDQM and TGA for manufacturing High Value Low Volume and Low Volume High Value Active Pharmaceutical Ingredients (APIs) at Kothur, near Zaheerabad and as soon as the unit becomes operational, the Management is confident of giving Gennex an International presence. The management is exploring various options to raise the required funds to make the unit operational.

Share Capital:

Authorized Share Capital - During the year under review, there was no change in authorized share capital of the Company. Authorized share capital of the company as on March 31, 2021 was Rs.16,00,00,000/-, comprising of 16,00,00,000 equity shares of Rs.1/- each.

Paid-up Share Capital - During the year under review, there was no change in paid up share capital of the Company. Paid up share capital of the company as on March 31, 2021 was Rs.12,65,03,000/-, comprising of 12,65,03,000 Equity Shares of Rs.1/- each.

Buy Back of Securities:

The Company has not bought back any of its securities during the year under review.

Sweat Equity:

The Company has not issued any Sweat Equity Shares during the year under review.

Bonus Shares:

The Company has not issued any bonus shares during the year under review.

Employees Stock Option:

The Company has not provided any Stock Option Scheme to the employees.

Dividend:

Your Directors have not recommended any dividend on Equity Shares for the year under review.

Transfers to Reserves:

Your Board of Directors does not appropriate any amount to be transferred to General Reserves during the year under review.

Deposits:

During the year under review, your Company has not accepted any fixed deposits within the meaning of Section 73 of the Companies Act, 2013 read with Rules made there under.

Subsidiaries, Joint Ventures and Associates:

As on March 31, 2021, we have one Associate and in this regard a Statement containing the salient features of the Financial Statement of our Associates in the prescribed format AOC-1 is appended as **Annexure-I** to the Board's report.

Particulars of Contracts & Arrangements with Related Parties:

All transactions entered by the Company with Related Parties were in the Ordinary course of Business and are at Arm's Length pricing basis. The Audit Committee granted approvals for the transactions and the same were reviewed by the Committee and the Board of Directors.

There were no materially significant transactions with Related Parties during the financial year 2020-21 which were in conflict with the interest of the Company. The details of contracts and arrangements with Related Parties as referred to in Section 188(1) of the Companies Act, 2013 were given as *Annexure - II* to the Board's Report in form No: AOC-2 pursuant to Section 134 (3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules 2014.

Particulars of Loans, Guarantees or Investments:

Pursuant to Section 186 of Companies Act, 2013 and Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company neither has, directly or indirectly, given any loan to its Directors nor extended any guarantee or provided any security in connection with any loan taken by them. Further, the Company has not made any inter-corporate loan / advance nor made any investments in other companies during the financial year 2020-21, except to its associate Company.

Number of Board Meetings held:

During the financial year ended March 31, 2021, Eight Board Meetings were held.

The dates on which the Board Meetings were held are 27.04.2020, 01.07.2020, 30.07.2020, 03.09.2020, 15.09.2020, 12.11.2020, 21.12.2020 and 13.02.2021 the details of which are given in the Corporate Governance Report. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013 and Secretarial Standard -1.

Board evaluation:

The Board of directors have carried out an evaluation of its own performance and of its Committee as well as its individual Directors on the basis of criteria such as Composition of the Board / Committee Structure, effectiveness, its process, information and functioning etc.

The conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to provisions of Section 134(3)(m) of the Companies Act, 2013 (Act) read with the Companies (Accounts) Rules, 2014:

Information with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Act read with Companies (Accounts) Rules, 2014 is prepared and the same is enclosed as **Annexure - III** to this Report.

Remuneration ratio of the Directors / Key Managerial Personnel (KMP) / Employees:

The information required under Section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in separate annexure forming part of this Report as *Annexure – IV*.

Extracts of Annual Return:

As required by Section 92 (3) of the Act Read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of the Annual Return in Form MGT 9 is available on the Company's website at **www.gennexlab.com**.

Declaration by Independent Directors:

The Independent Directors of the Company have submitted their declarations as required under Section 149(7) of the Companies Act, 2013 stating that they meet the criteria of independence as per sub-section (6) of Section 149 of the Act.

Familiarization programmer for Independent Directors:

The Company proactively keeps its Directors informed of the activities of the Company, its Management and Operations and provides an overall industry perspective as well as issues being faced by the industry.

Independent Directors' Meeting:

The Independent Directors met on 21.12.2020, without the attendance of Non-Independent Directors and Members of the Management. The Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole; the performance of the Chairman of the Company, taking into account the views of Executive Director and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Directors Responsibility Statement as required under Section 134 of the Companies Act, 2013:

Pursuant to the requirement under Section 134 of the Companies Act, 2013, with respect to the Directors' Responsibility Statement, the Board of Directors of the Company hereby confirms:

- i. that in the preparation of the Annual Accounts, the applicable accounting standards have been followed;
- ii. that the Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of Profit and Loss Account of the Company for that period;
- iii. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the Directors have prepared the Annual Accounts for the Financial Year ended March 31, 2021 on a going concern basis;
- v. that the Directors have laid down Internal Financial Controls to be followed by the company and that such Internal Financial Controls are adequate and were operating effectively; and
- vi. that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Details of Directors or Key Managerial Personnel who were appointed or have resigned during the Year:

In terms of Section 152 of the Companies Act, 2013, Shri T M Gopalakrishnan, Director would retire by rotation at the forthcoming AGM and is eligible for re-appointment. Shri T M Gopalakrishnan has offered himself for re-appointment.

Key Managerial Personnel (KMP):

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2021 are: Shri Arihant Baid, Managing Director, Shri T M Gopala Krishnan, Whole Time Director, Shri Laxmipat Baid, CFO and Shri Rajesh Vankadara, Company Secretary of the Company.

Policy on directors' appointment and remuneration and other details:

Under Section 178 (3) of the Companies Act, 2013, the Nomination and Remuneration Committee of the Board has adopted a policy for nomination, remuneration and other related matters for Directors and senior management personnel. A gist of the policy is available in the Corporate Governance Report.

Statutory Auditors:

M/s. **PPKG & Co.**, Chartered Accountants (Firm Registration No. 009655S) were appointed as Statutory Auditors of your Company to hold office from the conclusion of the 33rd AGM held in the year 2019, until the conclusion of the 38th AGM to be held in the year 2023. Accordingly, M/s.PPKG & Co., Chartered Accountants (Firm Registration No. 009655S), Statutory Auditors of the Company will continue till the conclusion of Annual General Meeting to be held in 2023. In this regard, the Company has received a Certificate from the Auditors to the effect that their continuation as Statutory Auditors, would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

Auditors' Report and Secretarial Auditors' Report:

1. Auditors' Report

Qualifications, Reservations or Adverse Remarks:

Information & Explanation in respect of Qualification / Reservation or Adverse remarks contained in Independent Auditor's Report under Paras: Basis for Qualified opinion, Emphasis of Matter and Other Matter:

The Balances of Current Assets, Other Non-Current Assets, Non-Current Liabilities, Other Non-Current Liabilities, Current Liabilities & other Current Liabilities are subject to confirmations/reconciliations. The Impact of the same is unascertained

Board's Response: - As pointed out by the Statutory Auditors, the company has not obtained confirmation of The Balances of Current Assets, Other Non-Current Assets, Non-Current Liabilities, Other Non-Current Liabilities, Current Liabilities & other Current Liabilities. The Company has made best of its efforts to obtain the same before signing the accounts for current financial year as well as for last financial year. Further, the Management of the Company confirms that balances shown in the Books are true and correct as per their knowledge.

2. Secretarial Audit Report

As per the provisions of Section 204 of the Companies Act, 2013, the Board of Directors has appointed Shri Rakesh Kumar Gupta, Company Secretaries, as Secretarial Auditors to conduct Secretarial Audit of the company for the Financial Year ended on March 31, 2021.

Secretarial Audit Report issued by Shri Rakesh Kumar Gupta, Company Secretaries, in Form MR-3 is enclosed as **Annexure - V** to this Annual Report.

Internal Auditors:

The Board of Directors of the Company appointed Shri Laxmipat Baid to conduct Internal Audit of the Company for the Financial Year ended March 31, 2021.

Audit Committee:

There is no such incidence where Board has not accepted the recommendation of the Audit Committee during the year under review.

Sub Committees of the Board:

The Board has Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee. The composition and other details of these Committees, have been given in the Report on the Corporate Governance forming part of the Annual Report

Corporate Social Responsibility (CSR) Initiatives:

Section 135 of the Companies Act, 2013 provides the threshold limit for applicability of the CSR to a Company i.e., (a) net worth of the Company to be Rs.500 crore or more; or (b) turnover of the company to be Rs. 1,000 crore or more; or (c) net profit of the company to be Rs. 5 crore or more. As the Company does not fall under any of the threshold limits given above, the provisions of section 135 are not applicable to the Company

Management Discussion and Analysis:

In terms of the provisions of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis given below discusses the key issues concerning the business and carried on by the Company and the same is enclosed as *Annexure - VI* to this Report.

Corporate Governance:

The Company is committed to good corporate governance in line with the Schedule V of SEBI (LODR) Regulations, 2015 and Provisions, Rules and Regulations of the Companies Act, 2013. The Company is in compliance with the provisions on corporate governance specified in the Listing Agreement with BSE. A certificate of compliance from M/s. PPKG & Co., Chartered Accountants and the report on Corporate Governance form part of this Directors' Report as *Annexure - VII*.

Insurance:

All properties and insurable interests of the Company including building, plant and machinery and stocks have been fully insured.

Vigil Mechanism:

The Board of Directors have adopted Whistle Blower Policy. The Whistle Blower Policy aims for conducting the affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. All permanent employees of the Company are covered under the Whistle Blower Policy.

A mechanism has been established for employees to report concerns about unethical behavior, actual or suspected fraud, or violation of Code of Conduct and Ethics. It also provides for adequate safeguards against the victimization of employees who avail of the mechanism and allows direct access to the Chairperson of the Audit Committee in exceptional cases.

Details in respect of adequacy of Internal Financial Controls with reference to the Financial Statements:

1. The Company has set Internal Control Systems to maintain accurate and complete accounting records, to safeguard its assets, to prevent and detect any frauds and errors.
2. The Company has appointed internal employee as the Internal Auditors to observe the Internal Controls, whether the work flows of organization is being done through the approved policies of the Company. In every Quarter during the approval of Financial Statements, Internal Auditors will present the Internal Audit Report and Management Comments on the Internal Audit observations; and
3. The Board of Directors of the Company have adopted various policies like Related Party Transactions Policy, Fixed Assets Policy, Whistle Blower Policy, Policy to determine Material Subsidiaries and such other procedures for ensuring the orderly and efficient conduct of its business for 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.

The names of companies which have become or ceased to be company's subsidiaries, joint ventures or associate companies during the year:

-NIL-

Change in the nature of business:

There is no change in the nature of business of the Company.

The details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future:

No Significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and company's operations in future.

Industrial Relations:

Industrial relations continued to be cordial throughout the year under review.

Material changes and commitments:

There are no Material changes and commitments in the business operations of the Company from the Financial Year ended March 31, 2021 to the date of signing of the Directors' Report.

Policy on Sexual Harassment:

The Company has adopted policy on Prevention of Sexual Harassment of Women at Workplace in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the Financial Year ended March 31, 2021, the Company has not received any Complaints pertaining to Sexual Harassment.

Listing of Equity Shares:

The Company's Equity shares are listed at the following Stock Exchanges:

BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001; and

The Company has paid the Annual Listing Fee to the said Stock Exchanges for the Financial Year 2020-21.

Policies:

We seek to promote and follow the highest level of ethical standards in all our business transactions guided by our value system. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 mandated the formulation of certain policies for all listed companies. The policies are reviewed periodically by the Board and updated based on need and new compliance requirement.

i) **Whistleblower Policy (Policy on vigil mechanism):**

The Company has adopted the whistle blower mechanism for directors and employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the Company's code of conduct and ethics. There has been no change to the Whistleblower Policy adopted by the Company during fiscal 2019.

ii) **Policy for Determining Materiality for Disclosures:**

This policy applies to disclosures of material events affecting. This policy is in addition to the Company's corporate policy statement on investor relations, which deals with the dissemination of unpublished, price-sensitive information.

iii) **Policy on Document Retention:**

The policy deals with the retention and preservation of corporate records of the Company.

Share transfer agency:

The Company has appointed M/s. R & D Infotech Pvt. Ltd., 1st Floor, 7A, Beltala Road Naresh Mitra Sarani Kolkata – 700 026 as its Share Transfer Agency for handling both Physical and Electronic Transfers.

Awards and recognition:

The Company has been awarded DIN EN ISO 9001:2008, ISO 18001:2007, BS OHSAS 18001:2007 and ISO 9001:2015 Certification by TUV NORD Cert GmbH for Management System for manufacture and sale of Active Pharmaceutical Ingredients and intermediates.

The Company has been awarded European Union Written Confirmation (EU-WC) for Guaifenesin & Methocarbamol by the Central Drugs & Standard Control Organization (CDSCO), New Delhi for Sale Statutory requirements of the Country.

The Company has been awarded WHO-GMP certification by the State Drug Licensing authority.

Human Resources:

Your Company treats its "human resources" as one of its most important assets. Your Company continuously invests in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement.

Cautionary Statement:

Statements in these reports describing company's projections statements, expectations and hopes are forward looking. Though, these expectations etc.; are based on reasonable assumption, the actual results might differ.

Acknowledgement:

The Directors take this opportunity to place on record their sincere thanks to the Employees, Banks and Financial Institutions, Insurance Companies, Central and State Government Departments and the Shareholders for their support and co-operation extended to the Company from time to time. Directors are pleased to record their appreciation of the sincere and dedicated services of the employees and workmen at all levels.

**On behalf of the Board of Directors
for Gennex Laboratories Limited**

Place: Hyderabad
Date: 06.09.2021

T.M. Gopalakrishnan
Whole Time Director
DIN: 03137458

Arihant Baid
Managing Director
DIN: 01171845

Annexure-1

Performance and financial position of each of the subsidiaries, associates and joint venture (Pursuant to Rule 8 of Companies (Accounts) Rules, 2014)

FORM No. AOC - 1

Part-A:Subsidiaries

Rs. in thousands

S.No.	NA
Name of the Subsidiary	-
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	-
Share Capital	-
Reserves & Surplus	-
Total Assets	-
Total Liabilities	-
Investments	-
Turnover	-
Profit/ (Loss) before Taxation	-
Tax Expense/ (Benefit)	-
Profit/ (Loss) after Taxation	-
Proposed Dividend	-

Part B- Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures
Rs. **in thousands**

S.No.	1	
Name of Associates/Joint Ventures	Deccan Remedies Limited	
Latest audited Balance Sheet Date	31-03-2021	
Shares of Associate / Joint Ventures held by the company on the year end	No. of Shares	5,500,000
	Amount of Investment in Associates/Joint Venture	Rs.70,000
	Extend of Holding %	44.27%
Description of how there is significant influence	Based on the % of holding over this investee company	
Reason why the associate/joint venture is not consolidated	As the group has only ability to do exercise significant influence but not control over this Company	
Net worth attributable to Shareholding as per latest audited Balance Sheet	Rs.54,100.27/-	
Profit / Loss for the year	i. Considered in Consolidation	NA
	ii. Not Considered in Consolidation	NA

1. Names of Associates or Joint Ventures which are yet to commence operations:

S.No.	Name of the Entity	Address
1	Deccan Remedies Limited	Survey No. 75 (A) Kothur (B) Village Zaheerabad Mandal Medak Dist. - 502 228 Telangana.

2. Names of associates or joint ventures which have been liquidated or sold during the year – Not Applicable

**On behalf of the Board of Directors
for Gennex Laboratories Limited**

Place: Hyderabad
Date: 06.09.2021

T.M. Gopalakrishnan
Whole Time Director
DIN: 03137458

Arihant Baid
Managing Director
DIN: 01171845

Annexure-II

Disclosure of Particulars of Contracts / Arrangements entered into by the Company

Form No. AOC-2

*(Pursuant to section 134(3)(h) of the Companies Act 2013 and
Rule 8(2) of the Companies (Accounts) Rules, 2014)*

Form for disclosure of particulars of Contracts / Arrangements entered in to by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of Contracts or Arrangements or Transactions not at arm's length basis:

The Company has not entered into any Contract or Arrangement or Transaction with its Related Parties which is not in its ordinary course of business or at arm's length during financial year 2020-21.

2. Details of material Contracts or Arrangements or Transactions at arm's length basis:

There were no material Contracts or Arrangements or Transactions on Related Parties during the financial year 2020-21.

**On behalf of the Board of Directors
for Gennex Laboratories Limited**

Place: Hyderabad

Date: 06.09.2021

T.M. Gopalakrishnan

Whole Time Director

DIN: 03137458

Arihant Baid

Managing Director

DIN: 01171845

Annexure-III

The conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to the provisions of section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014:

A. CONSERVATION OF ENERGY:

1.	The steps taken or impact on conservation of energy	:	- N.A.-
2.	The steps taken by the Company for utilizing alternate sources of energy	:	- N.A.-
3.	The Capital investment on energy conservation equipment's	:	- N.A.-

B. TECHNOLOGY ABSORPTION: - Not Applicable

i.	The Efforts made towards technology absorption	:	NIL
ii.	The Benefits derived like product improvement, cost reduction, product development or import substitution	:	NIL
iii.	Details of technology imported during the past 3 years:	:	No technology has been imported during the past 3 years.
	a. The details of technology Import	:	Not Applicable
	b. The Year of Import	:	Not Applicable
	c. Whether the technology has been fully absorbed	:	Not Applicable
	d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	:	Not Applicable
iv.	The expenditure incurred on Research and Development	:	NIL

C. FOREIGN EXCHANGE EARNINGS AND OUT-GO:

1. The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows:

(Rs. in Lakhs)

Particulars	Standalone		Consolidated	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Used	286.89	788.90	286.89	788.90
Earned	2,293.35	2,198.52	2,293.35	2,198.52

**On behalf of the Board of Directors
for Gennex Laboratories Limited**

Place: Hyderabad

Date: 06.09.2021

T.M. Gopalakrishnan
Whole Time Director
DIN: 03137458

Arihant Baid
Managing Director
DIN: 01171845

Annexure-IV

Statement of particulars as required under Section 197 of the Companies Act, 2013 read with Rule 5 of Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014:

(i) The ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year:

S.No.	Name of the Director	Ratio of the remuneration to the median remuneration of the employees
1	Arihant Baid, Managing Director	01 : 9.83
2	T.M. Gopalakrishnan, Whole Time Director	01 : 7.76

* Shri Y Ravinder Reddy, Ms. Sadhana Bhansali, Shri Vinod Choraria, Dr. Avasarala Ranga Rao Pantulu and Shri Amudala Sreeramulu Nageswar Rao were paid sitting fees for attending the Meetings.

(ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the Financial Year

S.No.	Name of the Director	Percentage increase in remuneration
1	Arihant Baid Managing Director	Nil
2	T.M. Gopalakrishnan Whole Time Director	Nil
3	Laxmipat Baid Chief Financial Officer	Nil
4	Rajesh Vankadara Company Secretary	Nil

* Shri Y Ravinder Reddy, Ms. Sadhana Bhansali, Shri Vinod Choraria, Dr. Avasarala Ranga Rao Pantulu and Shri Amudala Sreeramulu Nageswar Rao were paid sitting fees for attending the Meetings.

(iii) The percentage increase in the median remuneration of employees in the Financial Year.

9.3%

(iv) The number of permanent employees on the rolls of company.

There are 118 permanent employees on the rolls of the Company as on 31st March 2021.

(v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration. -- NA --

(vi) The company affirms that remuneration paid to Key Managerial Personnel is as per the Remuneration policy of the Company.

**On behalf of the Board of Directors
for Gennex Laboratories Limited**

Place: Hyderabad

Date: 06.09.2021

T.M. Gopalakrishnan
Whole Time Director
DIN: 03137458

Arihant Baid
Managing Director
DIN: 01171845

Declaration by Chairman and Executive Director on Code of Conduct under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and the Companies Act, 2013.

**To
The Members**

I, hereby declare that to the best of my knowledge and information; all the Board Members and Senior Management Personnel have affirmed compliance with the code of conduct for the year ended March 31, 2021.

**On behalf of the Board of Directors
for Gennex Laboratories Limited**

Place: Hyderabad

Date: 06.09.2021

T.M. Gopalakrishnan
Whole Time Director
DIN: 03137458

Arihant Baid
Managing Director
DIN: 01171845

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Annexure - V
Form No. MR-3
Secretarial Audit Report

For the Financial Year ended on March 31, 2019

[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,
GENNEX LABORATORIES LIMITED,
Sy. No. 133, IDA Bollaram, Jinnaram,
Sangareddy District - 502 325.
Telangana.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to corporate practices by **GENNEX 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 **GENNEX LABORATORIES LIMITED** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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, 2021 according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the Companies Act, 1956 (to the extent applicable) and the rules made thereunder;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4) 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.
- 5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')-
 - a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - 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. Securities Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the Financial Year under review)
 - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable as the Company has not issued any debt securities)
 - g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not Applicable as the Company is not registered

- as Registrar to Issue and Share Transfer Agent during the Financial Year under review); and
- h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable as the Company has not delisted/propose to delist its equity shares from any Stock Exchange during the Financial Year under review)
 - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable as the Company has not bought back / propose to buyback any of its securities during the Financial Year under review)
- 6) The management has identified and confirmed the following laws as being specifically applicable to the Company:
- a) Drugs and Cosmetics Act, 1940 and Rules made there under;
 - b) Drugs and Magic Remedies (Objectionable Advertisement) Act, 1954
 - c) 3-Drugs Price Control Order, 2013 and Notifications made thereunder.

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

- (i) The Secretarial Standards issued by the Institute of Company Secretaries of India;
- (ii) The Listing Agreement entered into by the Company with Bombay Stock Exchange

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above. Except in respect of matters specified below:

1. Non-compliance of Promoter and promoter Group shares in Dematerialized Form as required under Regulation 31 (2) of SEBI (LODR) Regulations, 2015.

We further report that, on examination of the relevant documents and records and based on the information provided by the Company, its officers and authorized representatives during the conduct of the audit, and also on the review of quarterly compliance reports by respective department heads / Chief Financial Officer / Whole-time-Director taken on record by the Board of Directors of the Company, in our opinion, there are adequate systems and processes and control mechanism exist in the Company to monitor and ensure compliance with applicable general laws.

We further report that, the Board of Directors of the Company is duly constituted. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

As per the Minutes of the Meetings duly recorded and signed by the Chairman of the Meeting, the decisions of the Board were unanimous and there were no dissenting views.

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

We further report that, during the audit period no event has occurred during the year which has a major bearing of the Company's affairs.

For **Rakesh Kumar Gupta**
Company Secretaries

Place: Kolkata
Date: 19.08.2021

Rakesh Kumar Gupta
Proprietor
ACS:32018; CoP:15143
UDIN: A032018C000808123

This Report is to be read with our letter of even date which is annexed as Annexure A forming integral part of this report.

Annexure A

To,
The Members,
GENNEX LABORATORIES LIMITED,
Sy. No. 133, IDA Bollaram, Jinnaram,
Sangareddy District - 502 325.
Telangana.

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. 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 process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Kolkata
Date: 19.08.2021

For **Rakesh Kumar Gupta**
Company Secretaries

Rakesh Kumar Gupta
Proprietor
ACS:32018; CoP:15143
UDIN: A032018C000808123

Annexure – VI

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

Management's Discussion and Analysis Report on the Business of the Company as applicable and to the extent relevant is given below:

Industry Structure and Development:

Gennex Laboratories Limited is in the business of Manufacturing of Bulk Drugs, Intermediates and Biotech Products. The Company has over the years added more capacity and infrastructure by way of an additional production block and equipment to the plant to handle more products and also tonnages. The Company is having a professionally managed team at every stage of its operations.

Opportunities:

Multipurpose and Multi product production facilities having ISO 9001:2008 and TUV Certificate 44 100 124194-E3 further the Company has obtained ISO 14001 and OSHAS 18000.

- The Management depth and ability to manage client relationships.
- Enhanced presence in the international market.

Large number of Pharmaceutical companies losing their drug patents, thereby increasing the scope of outsourcing to countries that offer a low cost manufacturing base.

The Pharma sector is expected to witness further consolidation by way of mergers and acquisitions this augurs for growth of the Industry. This would result in better price realization and growth.

Threats:

The Indian Pharma Industry will have to meet the following challenges:

- i. Multinational Companies are setting up large plants in India.
- ii. Competition in the global market that offer low manufacturing base.
- iii. Uncertainties on account of global socio economic environment.

Outlook for the Company:

Your Company is on the verge of completion of the expansion plans undertaken. Your Company has planned its business strategy taking the ground realities into account. The Company has introduced new products which are very competitive and beneficial to the Company.

Segment-wise/Product-wise Performance:

As the company has only one line of product i.e. Pharmaceutical Products (Bulk Drugs), segment-wise or product-wise performance is not applicable for the year 2020-21.

Risks and concerns:

Any Government policy intervention or any change in the Pharma sector benefits and unforeseen adverse market conditions are issues of concern and may put pressure on the performance of the Company.

Internal Control System and their adequacy:

The Company has Internal Control System which is adequate and commensurate with the size of the Company.

Discussion on financial performance with respect to operational performance

A. Financial Conditions:

1. Capital Structure:

The Authorized Share Capital of the Company as at March 31, 2021, is Rs. 1600 Lakhs divided into 16,00,00,000 Lakhs Equity Shares of face value of Rs. 1/- each. The Share Capital of the Company consists of only Equity Shares. The Paid-up Capital of the Company as on March 31, 2021 is at Rs. 1265.03 Lakhs comprising of 12,65,03,000 Equity Shares of Rs. 1/- each fully paid-up.

2. Reserves and surplus:

The Reserves and Surplus of the Company as on March 31, 2021, stands at Rs. 2,724.19 Lakhs

3. Secured Loans:

The Working Capital Advances as at March 31, 2021, stand at Rs.736.19 Lakhs

4. Unsecured Loans:

The Deferred Sales Tax amount as at March 31, 2021, stand at Rs.0 Lakhs.

5. Fixed Assets:

The Gross Block stood at Rs.3,034.14 Lakhs and the net block stood at Rs.1,412.57 Lakhs as at March 31, 2021 compared to Rs.3,026.27 Lakhs and Rs.1,492.77 Lakhs as at March 31, 2020 respectively. The decrease in the value of the Fixed Assets is on account of depreciation of plant and Machinery.

6. Revenue (Gross):

During the year, the Company achieved sales Rs.5,964.89 Lakhs compared to Rs. 5,561.73 Lakhs in the previous year ended March 31, 2020.

Environment and Safety

The company maintains and effects continual improvement in environmental standards and complies with the safety requirements. The company cares for the safety of its employees and safety training is imparted to the employees in the factory. Personal Protective Equipment is provided to the employees in conformity with statutory requirement.

Human Resources

The company believes that the quality of its employees is the key to its success in the long run and is committed to provide necessary human resource development and training opportunity to equip them with skills, which would enable them to adapt contemporary technological advances.

Cautionary Statement

Statement in this "Management Discussion & Analysis" may be considered to be "Forward Looking Statements" within the meaning of applicable securities laws or regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include global and Indian demand-supply conditions, increased installed capacity, finished goods prices, raw materials availability and prices, cyclical demand and pricing in the Company's markets, changes in Government regulations, tax regimes, besides other factors.

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Annexure - VII

REPORT ON CORPORATE GOVERNANCE

In India, the Securities and Exchange Board of India (SEBI) regulates Corporate Governance for Listed through SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Gennex Laboratories Limited's is in full compliance with all the applicable provisions of the SEBI's corporate governance norms are set out below:

1. **Company's Philosophy on Code of Governance:**

Gennex Laboratories Limited ("GLL"/the "Company") is committed to implement sound Corporate Governance practices with a view to bring about transparency in its operations and maximize shareholder value. The Company's core philosophy on the code of Corporate Governance is to ensure:

- Fair and transparent business practices;
- Accountability for performance;
- Compliance of applicable statute;
- Ethical business conduct by the Board, management and employees;
- Transparent and timely disclosure of Financial and Management Information;
- Effective Management Control and Monitoring of executive performance by the Board; and
- Adequate representation of Promoter, Executive and Independent Directors on the Board.

2. **Board of Directors:**

The Board of Directors has an optimum combination of Executive and Non-Executive Directors and its composition is in conformity with Regulation 17 of the SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015 read with Section 149 of the Companies Act 2013 ("Act"). All the Directors have made the requisite disclosures regarding Directorships and Committee positions held by them in other Companies.

i- As on March 31, 2021, the Board of the Company consists of Six (6) Directors comprising of two (2) Executive Directors, and Four (4) is Non-Executive & Independent Directors. The Non-Executive Directors comprises of Three (3) Independent & women Directors and One (1) Non-Executive Director. The Company has Four (4) Independent & Non-Executive Directors, comprise More than half of the total strength of the Board.

S. No.	Name of the Director	Designation	Category	Other Directorship	Company's committee Membership
1	Mr. Arihant Baid	Chairman & Managing Director	Executive/Promoter Director	6	NIL
2	Mr. T. M. Gopalakrishnan	Whole-time Director	Executive	1	1
3	Mr. Y. Ravinder Reddy	Director	Independent Director	5	3
4	Ms. Sadhana Bhansali	Director	Independent & Women Director	1	3
5*	Mr. Vinod Choraria	Director	Independent Director	--	3
6#	Dr. Avasarala Ranga Rao Pantulu	Director	Non-Executive Director	--	2
7#	Mr. Amudala Ranga Rao Pantulu	Director	Independent Director	7	3

*Mr. Vinod Choraria resigned from the directorship of the Company due to his personal reasons.

Dr. A R R Pantulu and Shri A S Nageswar Rao, appointed as an additional director of the Company on December 21, 2020.

Notes:

- a. Other directorships exclude Foreign Companies and alternate Directorships.
- b. Only membership in Audit Committee and Stakeholders' Relationship Committee has been reckoned for other committee memberships.

ii-None of the Independent Directors on the Board holds directorships in more than Seven Listed Companies. Further, none of the Directors was a member of more than ten Committees or Chairman of more than five Committees across all the Public Companies in which he was a Director. Necessary disclosures regarding Committee positions in other Public Companies as on March 31, 2021, have been made by the Directors. All the Directors mentioned as part of the Promoter Group in the above list are related to each other in the following manner:

iii- Independent Directors are non-executive Directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act. The maximum tenure of Independent Directors is in compliance with the Act. All the Independent Directors have confirmed that they meet with the criteria as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act.

iv- During the financial year ended March 31, 2021, Eight Board Meetings were held as against the minimum requirement of four meetings. The maximum time gap between any of two consecutive meetings did not exceed 120 days.

The dates on which the said meetings were held are: 27.04.2020, 01.07.2020, 30.07.2020, 03.09.2020, 15.09.2020, 12.11.2020, 21.12.2020 and 13.02.2021

v- Board Familiarization and Attendance of Directors at the meetings

The attendance of each Director at the Board Meetings and last Annual General Meeting held during the year under review are as under:

Name of Director	Meetings		Attendance at last AGM held on September 29, 2020
	Held	Attended	
Mr. Arihant Baid	8	5	Yes
Mr. T. M. Gopalakrishnan	8	8	Yes
Mr. Y. Ravinder Reddy	8	8	Yes
Ms. Sadhana Bhansali	8	3	Yes
Mr. Vinod Choraria	5	2	Yes
Dr. A R R Pantulu	2	2	No
Mr. A S Nageswar Rao	2	2	No

vi- **Details of equity shares of the Company held by the Directors as on March 31, 2021 are given below:**

Name of the Director	Category	Number of equity shares
Mr. Arihant Baid - MD	Executive - Promoter Group	100
Mr. T. M. Gopalakrishnan - WTD	Executive - Non Promoter	100
Mr. Y. Ravinder Reddy	Independent	NIL
Ms. Sadhana Bhansali	Independent/Women Director	NIL
Mr. Vinod Choraria	Independent	NIL
Dr. A R R Pantulu	Non-Executive	NIL
Mr. A S Nageswar Rao	Independent	NIL

The Company has not issued any convertible instruments. None of the Non-Executive Directors are holding any shares in the company as on March 31, 2021.

vi- Board Independence:

Based on the confirmation/disclosures received from the Directors, all Non-Executive Directors are Independent in terms of Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations. There are no material pecuniary relationships or transactions between the Independent Directors and the Company, except for sitting fees and commission drawn by them for attending the meeting of the Board and Committee(s) thereof. None of the Non-Executive Directors hold any shares or convertible instruments in the Company.

3. Committees of the Board:

The Company currently has the following Committees of the Board:

- a. Audit Committee;
- b. Nomination and Remuneration Committee; and
- c. Stakeholders Relationship Committee.

a. Audit Committee:

i-The audit committee of the Company has been constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations, read with Section 177 of the Act.

ii-The terms of reference of the audit committee is as per the Schedule II Part C of the SEBI (LODR) which include:

- 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;
- Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
- Approval of payment to Cost Auditors & Statutory Auditors for any other services rendered by the Statutory & Cost Auditors;
- Reviewing, with the management, the Annual Financial Statements and Auditors' Report thereon before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of section 134 of the Act.
 - Changes, if any, in Accounting Policies and Practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of Judgment by Management.
 - Significant adjustments made in the Financial Statements arising out of Audit findings.
 - Compliance with listing and other legal requirements relating to Financial Statements.
 - Disclosure of any Related Party Transactions
 - Qualifications in the draft Audit Report.
- Reviewing, with the management, the Quarterly Financial Statements before submission to the Board for approval;
- Reviewing and monitoring the Auditors' independence and performance, and effectiveness of Audit process;
- Approval or any subsequent modifications of transactions of the Company with Related Parties;
- Scrutiny of Inter-Corporate Loans and Investments;
- Examination of the Financial Statement and the Auditors' Report thereon;
- Evaluation of Internal Financial Controls;

- Establishment of vigil mechanism for Directors and employees to report genuine concerns.
- Calling for the comments of the Auditors about Internal Control Systems, the scope of Audit, including the observations of the Auditors and review of Financial Statement before their submission to the Board and discussions on any related issues with the Internal and Statutory Auditors and the Management of the Company;

iii- Review of the information required as per SEBI Listing Regulations.

iv- The previous Annual General Meeting (“AGM”) of the Company was held on September 29, 2020 and was attended by Shri Y. Ravinder Reddy, Chairman of the Audit Committee.

The composition of the Audit Committee and the details of attendance at its meetings are given below:

Name of the Director	Designation	Category	Number of meetings during the financial year 2020-21	
			Held/Eligible	Attended
Mr. Y. Ravinder Reddy	Chairperson	Independent Director	4	4
Mr. T.M. Gopalakrishnan	Member	Executive Director	4	4
Ms. Sadhana Bhansali	Member	Independent Director	4	1
Mr. Vinod Choraria	Member	Independent Director	2	1
Dr. A R R Pantulu	Member	Non-Executive Director	1	1
Mr. A S Nageswar Rao	Member	Independent Director	1	1

v. Audit Committee met 4 times during the year and the dates of such Meetings are:

30.07.2020, 15.09.2020, 12.11.2020 and 13.02.2021.

vi. The Auditors of a Company and the Key Managerial Personnel shall have a right to be heard in the Meetings of the Audit Committee when it considers the Auditor’s Report but shall not have the right to vote.

b). Nomination and Remuneration Committee:

(I) Composition:

Name of the Director	Designation
Mr. Y. Ravinder Reddy	Chairperson
Ms. Sadhana Bhansali	Member
Dr. A R R Pantulu	Member
Mr. A S Nageswar Rao	Member

- The Nomination and Remuneration Committee was constituted by the Board with 4 Non-executive and Independent Directors with Independent Director as its Chairman.
- The Minutes of the Meetings of the Nomination and Remuneration Committee are circulated to all the Members of the Board.

(II) Brief description of terms of reference is for:

- (A) Appointment of the Directors, and Key Managerial Personnel of the Company; and
- (B) Fixation of the remuneration of the Directors, Key Managerial Personnel and other employees of the Company.

(III) Composition of Committee:

The Committee is chaired by Shri Y. Ravinder Reddy, Independent Director and includes Ms. Sadhana Bhansali, Shri Vinod Choraria, Dr. A R R Pantulu and Shri A S Nageswar Rao Directors as other members.

(IV) Attendance of each Director at Nomination & Remuneration Committee Meeting

Name of the Director	Designation	Category	Number of meetings during the financial year 2020-21	
			Held/Eligible	Attended
Mr. Y. Ravinder Reddy	Chairperson	Independent Director	1	1
Ms. Sadhana Bhansali	Member	Independent Director	1	1
Mr. Vinod Choraria	Member	Independent Director	0	0
Dr. A R R Pantulu	Member	Non-Executive Director	0	0
Mr. A S Nageswar Rao	Member	Independent Director	0	0

This Committee recommends the appointment/reappointment of Executive Directors and the appointments of employees from the level of Vice President and above along with the remuneration to be paid to them. The remuneration is fixed keeping in mind the persons track record, his/her potential individual performance, the market trends and scales prevailing in the similar industry.

c Stake Holders Relationship, Grievance and Share Transfer Committee

(I) Composition

The Committee consists of the following Directors:

Name of the Director	Designation
Mr. Y. Ravinder Reddy	Chairperson
Ms. Sadhana Bhansali	Member
Dr. A R R Pantulu	Member
Mr. A S Nageswar Rao	Member

(II) Brief description of terms of reference is for:

- (A) The Stake Holders Relationship, Grievance and Share Transfer Committee specifically look into the redressal of grievances of shareholders, debenture holders and other security holders;
- (B) The Stake Holders Relationship, Grievance and Share Transfer Committee shall consider and resolve the grievances of the security holders of the company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends.
- (C) To expedite the process of share transfers, the Board of the company shall delegate the power of share transfer to an officer or a committee or to the registrar and share transfer agents. The delegated authority shall attend to share transfer formalities at least once in a fortnight.
- (D) The Stakeholders Relationship, Grievance Committee oversees and reviews all matters connected with the securities transfers and also looks into redressing of shareholders complaints like transfer of shares, non-receipt of annual reports/dividends etc.
- (E) The Committee oversees the performance of the Registrar and Transfer agents and recommends measures for overall improvement in the quality of investor services”..

(III) **Name and designation of Compliance Officer:**

Mr. Rajesh Vankadara, Company Secretary & Compliance Officer

Email-id for Investor Grievances: investorrelations@gennexlab.com

Number of Shareholders complaints received so far:

(IV) Complaints received and redressed during the year 2020-21

S. No.	Nature of Complaints	Number of Complaints Received	Number of Complaints Solved	Number of Complaints Pending
1	Regarding annual report	----	----	----
2	Revalidation of dividend warrant	----	----	----
3	Issue of duplicate share certificate	----	----	----
4	Issue of duplicate dividend warrant	----	----	----
5	Procedure for transmission	----	----	----
6	General queries	----	----	----
7	Non-receipt of dividend	----	----	----
8	Correction in share certificate	----	----	----
9	Change of address,	----	----	----
10	Unclaimed dividend,	----	----	----
11	Correction in dividend cheque	----	----	----
	TOTAL			

SEBI vide Circular Ref: CIR/OIAE/2/2011 dated June 3, 2011 informed the company that they had commenced processing of investor complaints in a web based complaints redress system "SCORES". Under this system, all complaints pertaining to companies are electronically sent through SCORES and the companies are required to view the complaints pending against them and submit Action Taken Report (ATRs) along with supporting documents electronically in SCORES.

All the requests and complaints received from the shareholders were attended to within the stipulated time and nothing was pending for disposal at the end of the year. Shri Rajesh Vankadara is the Compliance Officer of the Company. For any clarification / complaint the shareholders may contact Shri K.V.L.N. Bhaswanth, Compliance Officer at the Registered Office of the Company

(V) Attendance of each Director at Stake Holders Relationship Committee Meeting

Name of the Director	Designation	Category	Number of meetings during the financial year 2020-21	
			Held/Eligible	Attended
Mr. Y. Ravinder Reddy	Chairperson	Independent Director	1	1
Ms. Sadhana Bhansali	Member	Independent Director	1	0
Dr. A R R Pantulu	Member	Non-Executive Director	1	1
Mr. A S Nageswar Rao	Member	Independent Director	1	1

3. **Criteria for Performance evaluation:**

(I) Remuneration Policy:

The Policy inter alia provides for the following:

- (a) attract, recruit, and retain good and exceptional talent;
- (b) list down the criteria for determining the qualifications, positive attributes, and independence of the Directors of the Company;
- (c) ensure that the remuneration of the Directors, Key Managerial Personnel and other employees is performance driven, motivates them, recognises their merits and achievements and promotes excellence in their performance;
- (d) motivate such personnel to align their individual interests with the interests of the Company, and further the interests of its stakeholders;
- (e) ensure a transparent nomination process for directors with the diversity of thought, experience, knowledge, perspective and gender in the Board; and

(f) fulfil the Company's objectives and goals, including in relation to Good Corporate Governance, transparency, and sustained long-term value creation for its stakeholders.

(II) Criteria for making payments to Non- Executive Directors:

The Company has not made any payments to the Non-Executive Directors except sitting fees for attending Board of Directors Meetings.

(III) Remuneration paid to Directors

Remuneration to Non-Executive Directors

Presently, the Non-Executive Directors do not receive any remuneration from the company and are paid sitting fees for attending the meetings of the Board and Committees

Remuneration to Executive Directors:

The Remuneration paid to the Managing and Whole-time Directors during the year is as follows:

Name of the Director and Designation	Salary	Benefits & others	Bonus	Pensions	Commission	Service Contracts	Notice Period
Mr. Arihant Baid, Managing Director	3,000,000	28,800	-	-	-	Appointed for a period of 3 years, i.e. w.e.f. 18th May, 2018	As per the Rules of the Company
Mr. T.M. Gopalakrishnan, Whole Time Director	2,370,000	154,194	14,000	-	-	Appointed for a period of 3 years, i.e. w.e.f. 18th May, 2018	As per the Rules of the Company

There were no severance fees, stock option plan or performance linked incentive for the Executive/Non-Executive Directors. The appointment of Managing Director and Whole Time Directors are made for a period of 3 years on the terms and conditions contained in the respective resolutions passed by the Members in the General Meetings.

4. Meeting of Independent Directors:

Schedule IV of the Companies Act, 2013 and the Rules under it mandate that the Independent Directors of the Company hold at-least one meeting in a year, without the attendance of Non-independent Directors and members of the Management. It is recommended that all the Independent Directors of the Company be present at such meetings. These meetings are expected to review the performance of the Non-independent Directors and the Board as a whole, as well as the performance of the Chairman of the Board, taking into account the views of the Executive Directors and Non-Executive Directors; assess the quality, quantity and timeliness of the flow of information between the Management and the Board that is necessary for it to effectively and reasonably perform its duties and the Independent Directors of the Company had met during the year on 21.12.2021.

5. GENERAL BODY MEETINGS:

The details of date, location and time of the last three Annual General Meetings held as under:

Financial Year ended March 31,	Date	Time	Venue
2020	29.09.2020	12:30 p.m.	Video Conferencing/Other Audio Visual Means
2019	27.09.2019	12:30 p.m.	Sy. No. 133, IDA Bollaram, Jinnaram Mandal, Sangareddy District - 502325
2018	09.08.2018	11.30 a.m.	Sy. No. 133, IDA Bollaram, Jinnaram Mandal, Sangareddy District - 502325

• Special Resolutions passed during the previous three Annual General Meetings:

- a. 35th Annual General Meeting – September 29, 2020: Two
 - b. 34th Annual General Meeting - September 27, 2019: Two
 - c. 33rd Annual General Meeting – August 09, 2018: Two
- Power to Borrow Funds on behalf of the Company.
 - Creation of Charges on the movable and immovable properties of the Company, both present and future, in respect of borrowings.
 - Re-appointment of Shri Y Ravinder Reddy (DIN 00011040), as Independent Director of the Company for a further period of Five years with effect from October 01, 2019.
 - Re-appointment of Ms. Sadhana Bhansali (DIN: 06962425), as Independent Director of the Company for a further period of Five years with effect from October 01, 2019.
 - Re-appointment of Ms. Arihant Baid (DIN 01171845), as Managing Director of the Company for a further period of three years with effect from May 18, 2018.
 - Re-appointment of Shri T.M. Gopalakrishnan (DIN 03137458), as Whole Time Director of the Company for a further period of three years with effect from May 18, 2018.
- iv. Whether Special Resolutions were put through Postal Ballot last year, details of voting pattern: No Special Resolutions were passed by the Shareholders of the Company through Postal Ballot during the Year 2019-20.
 - v. Whether any Resolutions are proposed to be conducted through Postal Ballot:

No Special Resolution is proposed to be conducted through Postal Ballot.

6. Whistle Blower Policy:

The company has an established mechanism for Directors / Employees to report concerns about unethical behavior, actual or suspected fraud, or violation of the code of conduct or ethics policy. It also provides for adequate safeguards against victimization of directors/ employees who avail of the mechanism. The Company affirms that no personnel have been denied access to the Audit Committee. The Company has formulated a Policy of Vigil Mechanism and has established a mechanism that any personnel may raise Reportable Matters within 60 days after becoming aware of the same. All suspected violations and Reportable Matters are reported to the Chairman of the Audit Committee at e-mail id info@gennexlab.com. The key Directions/ actions will be informed to the Executive Director of the Company

7. Disclosures:
(a) Related Party Transaction:

There have been no materially significant related party transactions with the Company's Promoters, Directors, the Management or relatives which may have potential conflict with the interests of the company at large. The necessary disclosures regarding the transactions are given in the Notes to Accounts. The Company has also formulated a policy on dealing with the Related Party Transactions and necessary approval of the Audit Committee and Board of Directors were taken wherever required in accordance with the Policy.

(b) Accounting Treatment:

In the preparation of the Financial Statements, the Company has followed the Accounting Policies and practices as prescribed in the Accounting Standards.

(c) Management Discussion and Analysis:

Management Discussion and Analysis Report is set out in a separate Section included in this Annual Report and forms part of this Report

(d) Compliances:

There were few instances of non-compliance by the company on matters related to the Stock Exchange, MCA and other Statutory Authority.

(e) Managing Director & CFO Certification:

The Managing Director and the Chief Financial Officer have furnished a Certificate to the Board for the year ended on March 31, 2021, in compliance with the Listing Regulation.

(f) Reconciliation of Share Capital Audit:

A quarterly audit was conducted by a Practicing Company Secretary, reconciling the issued and listed capital of the company with the aggregate of the number of Shares held by Investors in physical form and in the depositories and the said Certificates were submitted to the Stock Exchanges within the prescribed time limit. As on March 31, 2021, there was no difference between the issued and listed capital and the aggregate of Shares held by Investors in both Physical Form and in Electronic Form with the depositories. 12,44,56,370 Equity Shares representing 98.38% of the Paid up Equity Capital have been dematerialized as on March 31, 2021.

8. General Shareholders Information:
a) Company Registration details

The Company is registered in the State of Telangana, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L24230TG1990PLC011168

a) Date, time and venue of AGM

Annual General Meeting Day	Thursday, September 30, 2021
Time	12.30 P.M
AGM to be conducted	Through Video Conferencing (VC)/ Other Audio Visual Means (OAVM)
Book Closure Date	23.09.2021 to 30.09.2021 (both days inclusive)
Financial Year	1 st April to 31 st March

b) Registered Office:

Sy. No. 133, Bollaram, Jinnaram Mandal, Sangareddy District – 502 325, Telangana.

c) Financial Year:

Financial year is April 01, 2020 to March 31, 2021 and Financial Results will be declared as per the following schedule.

d) The following is the tentative financial calendar of the Company, which is subject to change:

Financial Calendar for the year 2020-21 (Tentative)

Financial Year Ending	31.03.2022
Quarter ending on 30 th June, 2020	On or before 14.08.2021
Quarter ending on 30 th September, 2020	On or before 14.11.2021
Quarter ending on 31 st December, 2020	On or before 14.02.2022
Quarter ending on 31 st March, 2021 & Annual Result of 2020-2021	On or before 30.05.2022

e) Dividend Payment Date:

Your Board has not recommended any dividend.

g) Listing on Stock Exchanges

Bombay Stock Exchange Ltd (BSE Limited), Phiroze Jeejeebhoy Towers, Dalal, Street, Mumbai – 400 001

Listing fee paid for the year 2020-21 to the Bombay Stock Exchange, Mumbai

h) Stock Code

Bombay Stock Exchange Ltd, Mumbai- 531739

i) Stock Price Data

Monthly high and low price of shares traded on Bombay Stock Exchange during the year from 01.04.2020 to 31.03.2021 is given below:

Month	High Price	Low Price
Apr-20	3.56	1.82
May-20	3.14	2.50
Jun-20	6.06	2.70
Jul-20	5.26	4.01
Aug-20	5.49	3.91
Sep-20	5.04	3.79
Oct-20	4.12	3.41
Nov-20	4.50	3.52
Dec-20	5.10	3.94
Jan-21	6.00	4.35
Feb-21	5.40	4.00
Mar-21	5.16	3.61

k) Address of Demat Registrars & Share Transfer Agents:

R & D Infotech Pvt. Ltd.

1st Floor, 7A, Beltala Road, Naresh Mitra Sarani, Kolkata – 700 026

E mail id: investors@rdinfotech.in

l) Share Transfer System:

Transfer of Securities in Physical Form are registered and duly transferred Share Certificates are dispatched within 30 days of receipt provided transfer documents are in order.

m) Distribution of Share Holdings as on 31.03.2021

RANGE IN NO. OF SHARES	No. of Shares	% to Total	No. of Shareholders	% to Total
01 – 500	17,35,949	1.37	9,474	45.53
501 – 1000	51,58,392	4.08	5,441	26.15
1001 – 2000	33,50,214	2.65	1,974	9.49
2001 – 3000	25,40,774	2.01	946	4.55
3001 – 4000	17,39,381	1.37	468	2.25
4001 – 5000	34,97,970	2.77	715	3.44
5001 – 10000	68,40,060	5.41	853	4.10
10001 – 50000	1,62,53,270	12.85	734	3.53
50001 – 100000	77,17,210	6.10	104	0.50
100001 and Above	7,76,69,780	61.40	98	0.47
Grand	12,65,03,000	100	20,807	100

n) Outstanding GDRS/ADRS/Warrants or any convertible instruments, conversion date and likely **impact on equity**. – Not Applicable

o) Dematerialization of Shares:

98.38% of Shares issued by the company have been dematerialized as on 31.03.2021. Trading in Equity Shares of your Company on any Stock Exchange is permitted only in Dematerialized mode. Demat ISIN Number allotted by NSDL & CDSL: INE509C01026

p) Plant Location

Sy. No. 133, Bollaram, Jinnaram Mandal, Sangareddy District – 502 325, Telangana

q) Address for Corporate Office:

'Akash Ganga', 3rd Floor, Plot # 144, Srinagar Colony, Hyderabad – 500 073, Telangana

9. DISCLOSURES:
a. Disclosure of Materially Significant Related Party Transactions

All Related Party Transactions that were entered into during the financial year were at an arm's length basis and were in the ordinary course of business. There are no materially significant Related Party Transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

In line with the requirements of the Companies Act, 2013 and Listing Regulations, your company has adopted a policy to determine Related Party Transactions. The policy is placed on the website of the company <http://www.gennexlab.com>

b. Details of non-compliance etc.

A Statement of Compliance with all Laws and Regulations as certified by the Managing Director and Whole Time Director is placed at periodic intervals for review by the Board.

There were instances of delayed compliance with Listing Agreement, penalty imposed on the Company by Stock Exchange, the same were paid and communicated with Bombay Stock Exchange, during the last three years.

A detailed note on the risks is included in the Management Discussion and Analysis annexed to the Directors' Report.

- c. A certificate confirming that none of the Directors of the Board of the Company has 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, has been received from Shri Rakesh Kumar Gupta, Company Secretaries and the same is annexed to this Report.

10. MEANS OF COMMUNICATION

a. Quarterly Results

The quarterly results of the Company are published in accordance with the requirements of the Listing Agreement, in widely circulated newspapers namely Business Standard (English daily) and Andhra Prabha (Telugu daily).

b. News releases, presentations, etc.

Official news releases along with Quarterly Results are displayed on the Company's website: www.gennexlab.com

The Company presentations made to the investors/ analysts are placed on the Company's website: www.gennexlab.com

c. Management Discussion and Analysis (MDA) Report

The report on MDA is annexed to the Directors' Report and forms part of this Annual Report.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
Gennex Laboratories Limited

We have reviewed the compliance of conditions of Corporate Governance by Gennex Laboratories Limited, for the year ended March 31, 2021, as stipulated in Chapter IV of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015.

The compliance of 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 with the conditions of the Certificate of Corporate Governance as stipulated in the said Clause. It is neither an Audit nor an expression of opinion on the financial statements of the Company.

No investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Company.

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 the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Chapter IV of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, the Financial year 2020-21.

We further state that such compliance 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 PPKG & Co.

Chartered Accountants
Firm Regn. No. 009655S

Place: Hyderabad
Date: September 06, 2021

Girdhari Lal Toshniwal
Partner
Membership No. 205140

Certification by Executive Director and Chief Financial Officer (CFO) to the Board

We, Arihant Baid, Managing Director and Laxmipat Baid, Chief Financial Officer of Gennex Laboratories Limited, certify that:

1. We have reviewed the Financial Statements and the Cash Flow Statement for the year and that to the best of our knowledge and belief:
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) these statements together present a true and fair view of the state of affairs of the company and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violate of the company's code of conduct.
3. We accept overall responsibility for establishing and maintaining internal control for financial reporting. This is monitored by the internal audit function, which encompasses the examination and evaluation of the adequacy and effectiveness, of internal control. The internal auditor works with all levels of management and Statutory Auditors and reports significant issues to the Audit Committee of the Board. The Auditors and Audit Committee are apprised of any corrective action taken with regard to significant deficiencies in the design or operation of internal controls.
4. We indicate to the Auditors and to the Audit Committee:
 - a) Significant changes in internal control over financial reporting during the year;
 - b) Significant changes in accounting policies during the year; and that the same have been disclosed in the notes to the Financial Statements; and
 - c) Instances of significant fraud of which we have become aware of and which involve management or other employees having significant role in the Company's Internal Control System and Financial Reporting. However, during the year there was no such instance.

**On behalf of the Board of Directors
for Gennex Laboratories Limited**

Place: Hyderabad

Date: 06.09.2021

Arihant Baid
Managing Director
DIN: 01171845

Laxmipat Baid
Chief Financial Officer

Declaration by Managing Director

I, Arihant Baid, Managing Director of Gennex Laboratories Industries Limited hereby declare that the members of Board, Key Managerial Personnel and other senior level employees of the Company are adhering to the code of conduct adopted by the Board which is posted on the website of the Company.

**On behalf of the Board of Directors
for Gennex Laboratories Limited**

Place: Hyderabad

Date: 06.09.2021

Arihant Baid
Managing Director
DIN: 01171845

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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,
GENNEX LABORATORIES LIMITED,
Sy. No. 133, IDA Bollaram, Jinnaram,
Sangareddy District - 502 325.
Telangana.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of GENNEX LABORATORIES LIMITED having [CIN:L24230TG1990PLC011168] and having registered office at Sy. No. 133, IDA Bollaram, Jinnaram, Sangareddy District - 502 325, Telangana (hereinafter referred to as '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) 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 stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

S.No.	Name of Director	DIN	Date of Appointment in Company
1.	Mr. Arihant Baid	01171845	18/05/2012
2.	Mr. T M Gopalakrishnan	03137458	18/05/2012
3.	Mr. Yellu Ravinder Reddy	00011040	22/03/2003
4.	Ms. Sadhana Bhansali	06962425	30/09/2014
5.	Dr. A R R Pantulu	09003006	21/12/2020
6.	Mr. A S Nageswar Rao	07030259	21/12/2020

Ensuring the eligibility of 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 **Rakesh Kumar Gupta**
Company Secretaries

Place: Kolkata
Date: 06.09.2021

Rakesh Kumar Gupta
Proprietor
ACS:32018; CoP:15143
UDIN: A032018C000914438

Independent Auditor's Report

To the Members of
Gennex Laboratories Limited

Report on the Audit of the Standalone Financial Statements

Qualified Opinion

1. We have audited the accompanying standalone financial statements of Gennex Laboratories Limited ('the Company'), which comprise the Standalone Balance Sheet as at 31st March, 2021, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Cash Flow Statement and the Standalone Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us except for the information referred to in Basis for Qualified opinion of our report, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (Financial position) of the Company as at 31st March, 2021, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

3. The Balances of Current Assets, Other Non-Current Assets, Non-Current Liabilities, Other Non-Current Liabilities, Current Liabilities & Other Current Liability are subject to Confirmation/reconciliations. The Impact of the same is, unascertained.
4. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules 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.

Key Audit Matter

5. Key audit matters 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 financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
6. We have determined the matter described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our Audit addressed the key audit matter
<p>Carrying value of Investment in Associate entity. The Company has an investment of Rs 700 lakhs in its associate Deccan Remedies Ltd</p> <p>Pending Land registration</p>	<p>As informed to us, The Company is still in the construction stage and yet to commence the operation, Hence valued at Cost. Discussion with the management on the development in these litigations during year ended March 31st, 2021 Review of the disclosures made by the company in the financial statements in this regard. Obtain representation letter from the management on the assessment of these matters.</p>

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

7. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Standalone Financial Statements

8. 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 state of affairs (financial position), profit or loss (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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
9. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
10. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditors Responsibilities for the Audit of the Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report on Standalone Financials that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing 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 financial statements.
12. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the 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 explaining our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
13. 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.
14. 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.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

16. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A statement on the matters specified in paragraphs 3 and 4 of the Order.
17. Further to our comments in Annexure A, as required by section 143(3) of the Act, 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 purpose of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the standalone financial statements dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
 - e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act;
 - f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31st March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report as per Annexure B expressed unmodified opinion; and

- g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position as at 31 March 2021;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021; and
 - iv. The disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.
18. As required by section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

For **PPKG & Co**
Chartered Accountants
Firm's Registration No.: 0096555

Girdhari Lal Toshniwal
Partner
Membership No: 205140
UDIN: 21205140AAAAIW7065
Place: Hyderabad
Date: 30th June 2021

Annexure A to the Independent Auditor's Report of even date to the members of Gennex Laboratories Limited, on the standalone financial statements for the year ended 31st March 2021

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company except for the Land case amounting to Rs. 7,78,75,000 is pending registration
 - (i) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year, No material discrepancies were noticed on the aforesaid verification.
 - (ii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company
 - (iii) In our opinion, the Company has complied with the provisions of Section 186 in respect of investments and loans. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of guarantees and security.
 - (iv) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of The Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
 - (v) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act, As informed to us the provision of sec 148(1) are now applicable and the Cost audit for the year 2020-21 is in progress.
 - (vi) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, duty of customs, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
 - (b) The dues outstanding in respect of Income tax, sales-tax, service-tax, duty of customs on account of disputes, are as follows:

#	Nature of Statute	Nature of Dues	Amount (Rs in Lacs) (Disputed)	Period to which the amount relates to	Forum where the dispute is pending
1	CST	Sales Tax	96.47	2001-02	High Court
2	CST	Sales Tax	14.57	2007-08	Appellate DC(CT)
		Total	111.04		

#	Nature of Statute	Nature of Dues	Amount (Rs in Lacs) (Disputed)	Period to which the amount relates to	Forum where the dispute is pending
3	Income Tax	Income Tax	8.22	Assmt year 2001-02	Appellate Authority
		Income Tax	37.36	2002-03	Appellate Authority
		Income Tax	3.81	2015-16	Appellate Authority
		Income Tax	9.75	2019-20	Appellate Authority
		Total	59.14		

- (vii) The Company has not defaulted in repayment of loans or borrowings to any bank during the year. The Company has loans or borrowings payable to financial institutions or government and does not have any outstanding debentures during the year.
- (viii) In our opinion, and according to the information and explanations given to us, the moneys raised by way of term loans have been applied, on an overall basis, for the purposes for which they were obtained. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments)
- (ix) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management
- (x) Managerial remuneration has been paid / provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xi) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the standalone financial statements etc., as required by the applicable Ind AS.
- (xiii) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Accordingly, provisions of the clause 3(xiv) of the order are not applicable.
- (xiv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act. Accordingly, the provisions of clause 3(xv) of the order are not applicable.
- (xv) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **PPKG & Co**

Chartered Accountants

Firm's Registration No.: 009655S

Girdhari Lal Toshniwal

Partner

Membership No: 205140

UDIN: 21205140AAAAAIW7065

Place: Hyderabad

Date: 30th June 2021

Annexure B to the Independent Auditor's Report of even date to the members of Gennex laboratories Limited, on the standalone financial statements for the year ended 31st March 2021

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

Opinion

1. In conjunction with our audit of the standalone financial statements of Gennex Laboratories Limited ('the Company') as at and for the year ended 31st March 2021, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.
2. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial Reporting and such controls were operating effectively as at 31 March 2021, 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 issued by the ICAI.

Management's Responsibility for Internal Financial Controls

3. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('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 the Company's 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

4. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. 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 IFCoFR were established and maintained and if such controls operated effectively in all material respects.
5. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, 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 financial statements, whether due to fraud or error.
6. 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 IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

7. A company's IFCoFR 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 IFCoFR include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of 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

8. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **PPKG & Co**
Chartered Accountants
Firm's Registration No.: 009655S

Girdhari Lal Toshniwal
Partner
Membership No: 205140
UDIN: 21205140AAAAIW7065
Place: Hyderabad
Date: 30th June 2021

Balance Sheet as at March 31, 2021 (Standalone)

S. No	Particulars	Note No	As at 31.03.2021	As at 31.03.2020
1	ASSETS			
	Non-Current Assets			
	Property, Plant and Equipment	3	141,257,198.30	149,276,825.31
	Capital work-in-progress		-	-
	Financial Assets			
	Investments in Associate	4(a)	70,000,000.00	70,000,000.00
	Other Investment	4(b)	100,000.00	100,000.00
	Other non-current financial assets			
	Other non-current assets	5	2,796,887.00	2,203,697.00
	Total non-current assets		214,154,085.30	221,580,522.31
2	Current Assets			
	Inventories	6	50,184,862.00	74,373,126.00
	Financial Assets			
	Trade receivables	7	89,464,597.26	62,795,865.26
	Cash and Cash Equivalents	8(a)	1,861,280.00	1,937,409.00
	Bank Balance other than Cash and Cash Equivalents	8(b)	8,830,197.53	7,188,728.18
	Other Current Assets	9	214,680,174.20	182,741,542.06
	Total Current Financial Assets		314,836,248.99	254,663,544.50
	Current tax assets (Net)		0	0
	Other Current Assets	10	11,668,874.13	20,645,089.12
	Total Current Assets		376,689,985.12	349,681,759.62
	Total Assets		590,844,070.42	571,262,281.93
	EQUITY AND LIABILITIES			
1	Equity			
	Equity Share Capital	11	126,503,000.00	126,503,000.00
	Other Equity	12	272,419,151.23	232,037,642.39
	Total Equity		398,922,151.23	358,540,642.39
	Non-Current Liabilities			
	Financial Liabilities			
	Other financial liabilities	13	-	154,902.00
	Deferred Tax Liabilities (Net)	14	1,529,647.00	3,989,378.00
	Total Non-Current Liabilities		1,529,647.00	4,144,280.00
	Current Liabilities			
	Financial Liabilities			
	Borrowings	15	73,619,185.20	49,843,195.46
	Trade Payables			
	Total outstanding dues of MSME's (refer Note)		-	-
	Total outstanding dues of creditors other than MSME's (refer Note)	16	59,446,990.95	81,320,389.32
	Other financial liabilities	17	33,055,446.90	53,251,792.76
	Total Current Financial Liabilities		166,121,623.05	184,415,377.54
	Other Current Liabilities			
	Provisions	18	5,562,227.00	2,813,825.00
	Current Tax Liabilities (Net)	19	18,708,422.14	21,348,157.00
	Total Current Liabilities		24,270,649.14	24,161,982.00
	TOTAL EQUITY AND LIABILITIES		590,844,070.42	571,262,281.93
	Significant Accounting Policies			
	The accompanying notes are an integral part of these financial statements 1 to 44	1 to 44		

As Per our report attached
For PPKG & CO

Chartered Accountants
Firm Registration No: 009655S

GIRIDHARI LAL TOSHIWAL

Partner
M.No. 205140
UDIN: 21205140AAAAIW7065

Place : Hyderabad
Date : 30th June, 2021

**For and on behalf of the Board
Gennex Laboratories Limited**
T M Goplakrishnan
Whole-time Director

Rajesh Vankadara
Company Secretary

Arihant Baid
Managing Director

Laxmipat Baid
CFO

Statement of Profit and Loss for the year ended 31st March 2021 (Standalone)

S. No	Particulars	Note No	As at 31.03.2021	As at 31.03.2020
I	Income			
	Revenue from Operations	20	636,501,290.14	599,577,878.99
	Less: Excise/ GST		40,011,317.00	43,404,822.24
			596,489,973.14	556,173,056.75
II	Other Income	21	5,244,380.54	9,513,970.23
III	Total Income (I + II)		601,734,353.68	565,687,026.98
IV	Expenses:			
	Cost of materials Consumed	22	341,899,264.38	351,311,271.32
	Purchase of Stock-in-trade		-	-
	Changes in Inventories of Finished Goods, Stock-in-trade and Work-in-progress	23	15,299,449.00	(15,110,655.00)
	Employee Benefits expense	24	72,079,381.95	68,118,933.56
	Finance Costs	25	7,435,090.65	7,535,758.93
	Depreciation expenses	3	8,807,377.34	10,049,710.73
	Other Expenses	26	101,878,743.52	119,382,145.23
	Total Expenses (IV)		547,399,306.84	541,287,164.77
V	Profit/(Loss) before Exceptional Items & Tax (I - IV)		54,335,046.84	24,399,862.21
VI	Exceptional Items	27	3,713,269.00	1,086,180.89
VII	Profit before Tax		50,621,777.84	25,486,043.10
VIII	Tax Expense			
	Adjustment of tax relating to previous years		-	(1,034,412.00)
	Current Tax		(12,700,000.00)	(7,500,000.00)
	Deffered Tax		2,459,731.00	1,611,708.00
	Profit for the year from continuing operations (VII - VIII)		40,381,508.84	18,563,339.10
X	Profit / (Loss) for the period from discontinued operations		-	-
XI	Tax Expenses of discontinued operations		-	-
XII	Profit / (Loss) for the period from discontinued operations		-	-
XIII	Profit / (Loss) for the period (IX + XII)		40,381,508.84	18,563,339.10
XIV	Other Comprehensive Income			
A (i)	Items that will not be reclassified to Profit or Loss		-	-
(ii)	Income Tax relating to items that will not be reclassified to Profit or Loss		-	-
B (i)	Items that will be reclassified to Profit or Loss		-	-
(ii)	Income Tax relating to items that will be reclassified to Profit or Loss		-	-
XV	Total comprehensive Income for the year (XII + XIV) [Comprising Profit and Other Comprehensive Income for the year]		40,381,508.84	18,563,339.10
XVI	Earning per Equity Share for continuing operation in Rs (Face value per share Rs 1 each):			
	(1) Basic	28	0.319	0.147
	(2) Diluted		0.319	0.147
XVII	Earning per Equity Share for discontinuing operation:			
	(1) Basic		-	-
	(2) Diluted		-	-
XVIII	Earning per Equity Share (for continuing & discontinued operations)			
	(1) Basic		0.319	0.147
	(2) Diluted		0.319	0.147
	Significant Accounting Policies			
	The accompanying notes are an integral part of these financial statements	1 to 44		

As Per our report attached

For PPKG & CO

Chartered Accountants
Firm Registration No: 009655S

GIRIDHARI LAL TOSHNIWAL

Partner
M.No. 205140
UDIN: 21205140AAAAIW7065

Place : Hyderabad
Date : 30th June, 2021

**For and on behalf of the Board
Gennex Laboratories Limited**

T M Goplakrishnan
Whole-time Director

Rajesh Vankadara
Company Secretary

Arihant Baid
Managing Director

Laxmipat Baid
CFO

Cash Flow Statement as at March 31, 2021 (Standalone)

Particulars	As at 31.03.2021	As at 31.03.2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	50,621,778	25,486,043
Adjustment for :		
Depreciation and amortisation expense	8,807,377	10,049,711
Finance Cost	7,435,091	7,535,759
Interest Income	(538,160)	(793,043)
(Gain)/loss on sale of asset	-	-
Operating Profit before working capital changes	66,326,086	42,278,470
Adjustment for :		
Trade payables and other liability	(39,321,342)	22,622,961
Trade receivables	(26,668,732)	41,181,617
Inventories	24,188,264	(21,102,076)
Financial and other Assets	(23,555,607)	(101,654,237)
Cash generated from operations	968,669	(16,673,265)
Adjustments for :		
Income Taxes paid	(15,339,735)	(39,208)
Net Cash from operating activities	(14,371,066)	(16,712,473)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(787,750)	(2,945,344)
Sale of property, plant and equipment	-	-
Interest Income	538,160	793,043
Net Cash used in Investing activities	(249,590)	(2,152,301)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Borrowings	-	-
Changes in Long Term Borrowings	(154,902)	(394,431)
Changes in Short Term Borrowings (Net)	23,775,990	4,456,142
Interest Paid	(7,435,091)	(7,535,759)
Net Cash from Financing activities	16,185,997	(3,474,048)
Net Increase / (Decrease) in Cash and Cash equivalent (A+B+C)	1,565,341	(22,338,822)
Cash and Cash Equivalents as at the beginning of the year	9,126,137	31,464,959
Cash and Cash Equivalents as at the end of the year	10,691,478	9,126,137

Notes:

- The above Cash Flow Statement has been prepared under the " Indirect Method" set out in Indian Accounting Standard (Ind-AS)- 7 on Statement of Cash Flow.
- Figures in bracket indicate cash outflow.
- Previous year comparatives have been reclassified to confirm with current year's presentation, wherever applicable.

As Per our report attached

For PPKG & CO

Chartered Accountants
Firm Registration No: 0096555

GIRIDHARI LAL TOSNIWAL

Partner
M.No. 205140
UDIN: 21205140AAAAIW7065

Place : Hyderabad
Date : 30th June, 2021

**For and on behalf of the Board
Gennex Laboratories Limited**

T M Goplakrishnan
Whole-time Director

Rajesh Vankadara
Company Secretary

Arihant Baid
Managing Director

Laxmipat Baid
CFO

Statement of Changes in Equity

A. EQUITY SHARE CAPITAL

Notes	Number of shares	Amount
As at 01st April, 2018	126,503,000	₹ 126,503,000
Changes in Equity Share Capital		
As at 31st March, 2019	126,503,000	₹ 126,503,000
Changes in Equity Share Capital		
As at 31st March, 2020	126,503,000	₹ 126,503,000
Changes in Equity Share Capital		
As at 31st March, 2021	126,503,000	₹ 126,503,000
As at 31 March 2021	126,503,000	₹ 126,503,000

B. Other Equity

Particulars	Share Application Money pending allotment	Equity Component of application financial Instrument	Reserves & Surplus			Debt Instrument through other Comprehensive Income	Equity Instrument through other Comprehensive Income	Effective Portion of Cash Flow Hedges	Effective difference on Translation the financial statement	Other Items of Comprehensive Income (Specify nature)	Money received against share capital	Total
			Capital Reserve	Securities Premium Reserve	Other Reserves (Specify nature)							
Balance at the beginning of the reporting period 2018	-	-	7,250,000	60,000,000	7,222,892	108,436,218	-	-	-	-	-	182,909,110
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive	-	-	-	-	-	-	-	-	-	-	-	-
Income for the year	-	-	-	-	-	8,357,665	-	-	-	-	-	8,357,665
Dividends	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-
Investment Subsidy	-	-	-	-	-	-	-	-	-	-	-	-
Any Other Change (Depreciation)	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the reporting period 2018	-	-	7,250,000	60,000,000	7,222,892	116,793,883	-	-	-	-	-	191,266,775
Balance at the beginning of the reporting period 2019	-	-	7,250,000	60,000,000	7,222,892	116,793,883	-	-	-	-	-	191,266,775

Particulars	Share Application Money pending allotment	Reserves & Surplus				Debt Instrument through other Comprehensive Income	Equity Instrument through other Comprehensive Income	Effective Portion of Cash Flow Hedges	Effective difference on Translation the financial statement	Other Items of Comprehensive Income (Specify nature)	Money received against share capital	Total
		Equity Component of application financial Instrument	Capital Reserve	Securities Premium Reserve	Other Reserves (Specify nature)							
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive	-	-	-	-	-	-	-	-	-	-	-	-
Income for the year	-	-	-	-	22,207,528	-	-	-	-	-	-	22,207,528
Dividends	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-
Investment Subsidy	-	-	-	-	-	-	-	-	-	-	-	-
Any Other Change (Depreciation)	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the reporting period 2019	-	7,250,000	60,000,000	7,222,892	139,001,411	-	-	-	-	-	-	213,474,303
Balance at the beginning of the reporting period 2020	-	7,250,000	60,000,000	7,222,892	139,001,411	-	-	-	-	-	-	213,474,303
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive	-	-	-	-	-	-	-	-	-	-	-	-
Income for the year	-	-	-	-	18,563,339	-	-	-	-	-	-	18,563,339
Dividends	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-
Investment Subsidy	-	-	-	-	-	-	-	-	-	-	-	-
Any Other Change (Depreciation)	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the reporting period 2020	-	7,250,000	60,000,000	7,222,892	157,564,750	-	-	-	-	-	-	232,037,642

Particulars	Share Application Money pending allotment	Reserves & Surplus				Equity Component of application financial Instrument	Debt Instrument through other Comprehensive Income	Equity Instrument through other Comprehensive Income	Effective difference on Translation the financial statement	Other Items of Comprehensive Income (Specify nature)	Money received against share capital	Total
		Capital Reserve	Securities Premium Reserve	Other Reserves (Specify nature)	Retained Earnings							
Balance at the beginning of the reporting period 2021	-	7,250,000	60,000,000	7,222,892	157,564,750	-	-	-	-	-	-	232,037,642
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive	-	-	-	-	-	-	-	-	-	-	-	-
Income for the year	-	-	-	-	40,381,509	-	-	-	-	-	-	40,381,509
Dividends	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-
Investment Subsidy	-	-	-	-	-	-	-	-	-	-	-	-
Any Other Change (Depreciation)	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the reporting period 2021	-	7,250,000	60,000,000	7,222,892	197,946,259	-	-	-	-	-	-	272,419,151

NOTES TO FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2021

1. Company Background

Gennex Laboratories Limited (“the Company”) is a public limited company domiciled and incorporated in India in accordance with the provisions of the Companies Act, 1956. The registered office of the Company is located at Sy.No.133, IDA Bollaram, Jinnaram Mandal, Sangareddy District – 502 325, Telangana. The equity shares of the Company are listed on the Bombay Stock Exchange.

The Company is engaged in the business of manufacturing of Bulk Drugs and Intermediaries. The Company has manufacturing facilities in India which caters to both domestic and international markets.

These financial statements for the year ended March 31, 2021, were authorized and approved for issue by the Board of Directors on June 30, 2021.

2. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of the Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1. Basis of Preparation

(i) Compliance with Ind AS

The Financial statements comply in all material respects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the “Act”) [Companies (Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) Historical cost convention

The financial statements have been prepared on going concern basis under the historical cost basis except for the following:

- Certain Financial assets and liabilities which are measured at fair value.
- Defined benefit plans – plan assets measured at fair value; and
- Contingent Consideration

(iii) New and amended standards adopted by the Company

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing 1st April, 2018:

- Ind AS 115, Revenue from Contracts with Customers
- Appendix B, Foreign Currency Transactions and Advance Consideration to Ind AS 21, The Effects of Changes in Foreign Exchange Rates.
- Ind AS 116, Leases:

Ind AS 116 removes the current distinction between operating and finance leases and requires recognition of an asset (the right to use the leased item) and a financial liability (the obligation to pay rentals). An optional exemption exists for short-term and low value leases. The standard may not have a significant impact on the Group’s financial statements considering the number of assets under operating lease arrangement as at 31 March 2021. On implementation of Ind AS 116, the operating lease charges will be replaced with interest and depreciation expenses. These changes will affect key ratios like profit margin, operating margin, EBITDA margin etc. Further, operating cash flows portion of the lease liability will be classified within financing activities.

The effect on adoption of Ind AS 116 would be insignificant in the financial statements.

- Ind AS 12, Appendix C, Uncertainty over Income Tax Treatments:

On 30 March 2019, the Ministry of Corporate Affairs has notified Ind AS 12, Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount of the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax

The standard permits two possible methods of transition:

- Full retrospective approach – Under this approach Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors, without using hind sight, and
- Retrospectively with cumulative effect of initially applying Appendix C recognised by adjusting equity on initial application, without adjusting comparatives.

The Group is currently assessing the detailed financial impact of this standard on its financial statements.

Amendment to Ind AS 12, Income Taxes:

On 30 March 2019, the Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, Income Taxes, in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 01, 2019. The Group is currently evaluating the effect of this amendment on the financial statements.

(iv) Current versus non-current classification

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

An asset is classified as current when it is:

- Expected to be realized or intended to sold or consumed in 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 classified as 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

All other liabilities are classified as non-current.

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

(v) Rounding of amounts

All amounts disclosed in the Financial Statements and notes have been rounded off to the nearest rupees as per the requirement of Schedule III, unless otherwise stated.

2.2. Properties, plant and equipment (PPE) Recognition and initial measurements

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its Working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognized instatement of profit or loss as incurred.

Depreciation method, estimated useful lives and residual values

The classification of Plant and equipment into continuous and non-continuous process is done as per technical certification and depreciation thereon is provided accordingly.

Depreciation on property, plant and equipment is provided on the straight-line method, computed on the basis of useful lives as estimated by management which coincides with rates prescribed in Schedule II to the Companies Act, 2013.

Cost of the leasehold land is amortized on a straight-line basis over the term of the lease.

The residual values, useful lives and method of depreciation of are reviewed at each financial year end and adjusted prospectively, if appropriate.

De-recognition

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-Recognition of the asset (calculated as the Difference between the net disposal proceeds and the carrying amount of the asset) is included in the other income/other expenses when the asset is derecognized.

2.3. Intangible Assets**Recognition and initial measurement**

Intangible assets (including software) are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Amortisation method and period

Computer software is amortised on a pro-rata basis using the straight-line method over its estimated useful life of 3 years from the date they are available for use. Amortisation method and useful lives are reviewed periodically including at each financial year end. Investment Properties

2.4. Impairment of non-financial assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group or assets (cash-generating units). The Company's corporate assets (eg. Central office building for providing support to various CGUs) do not generate independent cash flows. To determinate impairment of corporate assets, recoverable amount is determined for the CGUs to which the corporate assets belongs.

2.5. Inventories

- Stores & Spares are valued at cost or at net realizable value, whichever is lower. Cost is arrived at Weighted Average Basis.
- Raw Material, Semi-Finished Goods, Finished Goods are valued at Cost or Market Value whichever is lower. Cost is arrived at FIFO method.
- Obsolescence and Damaged materials are valued at Realizable Value.

2.6. Operating Leases

As a lessee

Leases of property, plant and equipment where the Company, as a lessee, has substantial risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The corresponding lease rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability of each period.

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.

As a Lessor

Lease income from operating leases where the Company is a lessor is recognized 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 costs increases. The respective leased assets are included in the Balance Sheet based on their nature.

2.7. Investment and other financial assets

Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired.
- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in the profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in 'Other income'.
- **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the Statement of Profit and Loss within 'Other income' in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Changes in the fair value of financial assets at fair value through profit or loss are recognised in 'Other income' in the Statement of Profit and Loss.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109, 'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

De-recognition of financial assets

A financial asset is derecognised 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 entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised 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.

Income recognition Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

Fair value of financial instruments

In determining the fair value of financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis and available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised.

2.8. Derivative instruments

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Derivative instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period, with changes included in 'Other income'/'Other expenses'

2.9. Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.10. Trade Receivables

Trade receivables are amounts due from customers for goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.11. Cash and Cash equivalents

For the purpose of presentation in the Cash Flow Statement, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.12. Trade payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.13. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees

paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2.14. Non-current assets (or disposal groups) held for sale

Non-current assets (or 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 and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the Balance Sheet.

2.15. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

2.16. Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

2.17. 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.

Other borrowing costs are expensed in the period in which they are incurred.

2.18. Foreign currency transactions and 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 Company operates ('the functional currency'). The financial statements are presented in Indian Rupee (Rupees or H), which is the Company'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. At the year-end, monetary assets and liabilities denominated in foreign currencies are restated at the year-end exchange rates. The exchange differences arising from settlement of foreign currency transactions and from the year-end restatement are recognised in profit and loss.

Foreign exchange differences regarded as an adjustment to borrowing costs, if any, are presented in the 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 income/Other expenses'.

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.

2.19. Employee benefits

(i) Short-term employee benefits

Liabilities for short-term employee 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.

(ii) Post-employment benefits. Defined benefit plans

The liability or asset recognised in the Balance Sheet in respect of defined benefit 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 benefits expense' in the Statement of Profit and Loss.

Re-measurement 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. These are included in retained earnings in the Statement of Changes in Equity.

The Company has gratuity as defined benefit plan where the amount that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The liability recognised in the balance sheet for Defined Benefit Plans as the present value of the Defined Benefit Obligation (DBO) at the reporting date. Management estimates the DBO annually with the assistance of Independent actuaries. Actuarial gains and losses resulting from re-measurements of the liability are included in other comprehensive income.

During the Year the Company has not renewed the group gratuity scheme policy held with The Life Insurance Corporation of India (LIC). Therefore, gratuity valuation has been done through Independent agency as per Ind-AS19 (Employee Benefits). As per the valuation made by the Independent Agency the present value of accrued gratuity comes to Rs 2,229,479/- on estimates of discounts @ 6.68% and escalation on salaries @ 5% which has taken in Notes to accounts.

Defined contribution plans

Contributions under defined contribution plans payable in keeping with the related schemes are recognised as expenses for the period in which the employee has rendered the service.

(iii) Other long-term employee benefits

The liabilities for earned 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 annually by actuaries 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. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented under 'Employee benefit obligations' (current) 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.

2.20. Income Taxes

Tax expense recognized in statement of profit or loss comprises the sum of deferred tax and current tax except the ones recognized in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates and tax laws that have been enacted for the reporting period.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognized to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilized against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. The carrying amount of deferred tax assets is reviewed at each reporting 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 tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year 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 reporting date. Deferred tax relating to items recognised outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity).

Deferred income tax expense is calculated based on the differences between the carrying value of assets and liabilities for financial reporting purposes and their respective tax bases that are considered temporary in nature. Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned optimizing measures. Economic conditions may change and lead to a different conclusion regarding recoverability.

2.21. Provision and Contingencies

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

A disclosure for contingent liabilities is made 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 or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of the amount cannot be made.

2.22. Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.23. Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.24. Segment Reporting

The Company is engaged in manufacture of Bulk Drugs & Intermediates which in the context of Accounting Standard – 17 issued by the Institute of Chartered Accountants of India is considered as a single segment– Ref. Note 31D.

2.25. Critical estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed at each Balance Sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different

than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are:

- Employee benefits (estimation of defined benefit obligation)

Post-employment benefits represent obligations that will be settled in the future and require assumptions to project benefit obligations. Post-employment benefit accounting is intended to reflect the recognition of future benefit costs over the employee's approximate service period, based on the terms of the plans and the investment and funding decisions made. The accounting requires the Company to make assumptions regarding variables such as discount rate and salary growth rate. Changes in these key assumptions can have a significant impact on the defined benefit obligations.

- Impairment of trade receivables

The risk of un collectability of trade receivables is primarily estimated based on prior experience with, and the past due status of, doubtful debtors, based on factors that include ability to pay, bankruptcy and payment history. The assumptions and estimates applied for determining the provision for impairment are reviewed periodically.

- Estimation of expected useful lives of property, plant and equipment

Management reviews its estimate of the useful lives of property, plant and equipment at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of property, plant and equipment.

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Note 3: Property, plant and equipment

Particulars	Land	Factory buildings	Plant and equipments (d)	Furniture and fixtures	Vehicles	Capital Work in Progress	Total
Gross carrying amount							
Cost/deemed cost as at 1st April 2017	84,181,540	16,978,278	137,742,636	27,475,057	13,572,142	2,319,990	282,269,643
Additions	-	3,283,977	5,759,878	896,502	-	-	9,940,357
Disposals / deductions	-	-	624,000	-	-	2,319,990	2,943,990
Transfer to assets classified as held for sale	-	-	-	-	-	-	-
As at 31st March 2018	84,181,540	20,262,255	142,878,514	28,371,559	13,572,142	-	289,266,010
Additions	-	-	8,907,690	1,507,609	-	-	10,415,299
Disposals / deductions	-	-	-	-	-	-	-
Transfer to assets classified as held for sale	-	-	-	-	-	-	-
As at 31st March 2019	84,181,540	20,262,254	151,786,204	29,879,169	13,572,142	-	299,681,309
Additions	-	-	2,740,000	205,344	-	-	2,945,344
Disposals / deductions	-	-	-	-	-	-	-
Transfer to assets classified as held for sale	-	-	-	-	-	-	-
As at 31st March 2020	84,181,540	20,262,254	154,526,204	30,084,513	13,572,142	-	302,626,653
Additions	-	-	559,000	189,733	39,017	-	787,750
Disposals / deductions	-	-	-	-	-	-	-
Transfer to assets classified as held for sale	-	-	-	-	-	-	-
As at 31st March 2021	84,181,540	20,262,254	155,085,204	30,274,246	13,611,159	-	303,414,404
Accumulated depreciation							
As at 1st April 2017	-	9,386,325	87,870,485	20,921,444	6,679,998	-	124,858,252
Charge for the year	-	549,740	5,508,986	1,804,988	1,354,735	-	9,218,449
Disposals / deductions	-	-	624,000	-	-	-	624,000
As at 31st March 2018	-	9,936,065	92,755,471	22,726,432	8,034,733	-	133,452,701
Charge for the year	-	601,427	5,957,115	1,950,759	1,338,115	-	9,847,416
Disposals / deductions	-	-	-	-	-	-	-
As at 31st March 2019	-	10,537,493	98,712,586	24,677,193	9,372,846	-	143,300,117
Charge for the year	-	601,427	6,218,195	1,906,491	1,323,598	-	10,049,711
Disposals / deductions	-	-	-	-	-	-	-
As at 31st March 2020	-	11,138,920	104,930,781	26,583,683	10,696,444	-	153,349,828
Charge for the year	-	601,427	5,979,337	1,182,425	1,044,189	-	8,807,377
Disposals / deductions	-	-	-	-	-	-	-
As at 31st March 2021	-	11,740,347	110,910,118	27,766,108	11,740,633	-	162,157,205
Net carrying amount							
As at 31st March 2020	84,181,540	9,123,335	49,595,423	3,500,830	2,875,698	-	149,276,825
As at 31st March 2021	84,181,540	8,521,908	44,175,086	2,508,138	1,870,526	-	141,257,198

Note 4: FINANCIAL ASSETS

Particulars	As at 31.03.2021	As at 31.03.2020
Unquoted		
a. Investment in Associates		
5500000 Equity Shares of Rs.10/- each fully paid up in Deccan Remedies Limited	70,000,000.00	70,000,000.00
b. Other Investments		
1000 Equity Shares of Rs.100/- each fully paid up in Progressive Effluent Treatment Limited	100,000.00	100,000.00
Total	70,100,000.00	70,100,000.00

Note 5: Other Non Current Assets

Particulars	As at 31.03.2021	As at 31.03.2020
Security Deposit	2,796,887.00	2,203,697.00
Total	2,796,887.00	2,203,697.00

Note 6: Inventories (As valued and certified by Management)

Valued at lower of Cost and net realisable value

Particulars	As at 31.03.2021	As at 31.03.2020
Stores & Spares	888,692.00	1,712,425.00
Packing Material	1,118,549.00	802,930.00
Coal & Diesel	181,500.00	456,646.00
Raw Materials	12,760,100.00	20,865,655.00
Finished Goods	10,662,025.00	31,509,540.00
Work-in-process	24,573,996.00	19,025,930.00
Total	50,184,862.00	74,373,126.00

Note 7: Trade Receivables

Particulars	As at 31.03.2021	As at 31.03.2020
Trade Receivables	89,464,597.26	62,795,865.26
Receivables from Related Parties		-
Less: Loss Allowance		-
Total Receivables	89,464,597.26	62,795,865.26
Current Portion	76,573,729.30	54,906,077.76
Non-current Portion	12,890,867.96	7,889,787.50
Break-up of security details		
Trade Receivables considered good - secured		-
Trade Receivables considered good - unsecured	89,464,597.26	62,795,865.26
Trade Receivables - which have significant increase in credit risk		-
Trade Receivables - credit impaired		-
Total	89,464,597.26	62,795,865.26
Less: Loss Allowance		
Total Trade Receivables	89,464,597.26	62,795,865.26

a. Trade receivables are non-interest bearing and are generally on terms of up to 90 days.

Note 8: Cash and Cash Equivalents

Particulars	As at 31.03.2021	As at 31.03.2020
(a) Cash on hand	1,861,280.00	1,937,409.00
(b) Balances with Banks		
(i) In Current Accounts	84,038.53	29,259.18
(ii) In Deposit Accounts - (Margin Money against LCS/BG)	8,746,159.00	6,417,768.00
(iii) Cheques in hand	-	741,701.00
Total	10,691,477.53	9,126,137.18

Note 9: OTHER FINANCIAL ASSETS - SHORT TERM LOANS & ADVANCES

Particulars (Unsecured, considered good, recoverable in cash or in kind for value to be received)	As at 31.03.2021	As at 31.03.2020
(a) Loans and advances to related parties	-	-
Unsecured, considered good		
(b) Loans and advances to employees	30,022,676.00	27,132,628.00
Unsecured, considered good		
(c) Advances to Contractors, Suppliers	4,780,712.72	4,089,041.58
Unsecured, considered good		
(d) Advances recoverable cash or in kind	179,876,785.48	151,519,872.48
Total	214,680,174.20	182,741,542.06

Note 10: OTHER CURRENT ASSETS

Particulars	As at 31.03.2021	As at 31.03.2020
(a) Prepaid Expenses	1,340,892.00	813,016.00
Unsecured, considered good		
(b) Balances with Government Authorities		
Unsecured, considered good		
(i) GST credit receivable	4,900,823.04	8,366,492.03
(ii) Balances with Central Excise Deptt	24,833.00	24,833.00
(iii) VAT credit receivable	-	9,727,780.00
(iv) Meis claim receivable	4,720,483.09	1,403,713.09
(c) Accrued Interest	681,843.00	309,255.00
Total	11,668,874.13	20,645,089.12

Note 11: SHARE CAPITAL

Particulars	As at 31.03.2021	As at 31.03.2020
AUTHORISED CAPITAL		
Equity Shares		
160,000,000 Equity Shares of Rs.1/- each (Previous Year 160,000,000 Equity Shares of Rs.1/- each)	160,000,000.00	160,000,000.00
11.1 ISSUED SHARES		
Equity Shares		
126,503,000 Equity Shares of Rs. 1/- each (Previous Year 126,503,000 Equity Shares of Rs. 1/- each)	126,503,000.00	126,503,000.00
Total	126,503,000.00	126,503,000.00
11.2 SUBSCRIBED And PAID UP Shares		
Equity Shares		
126,503,000 Equity Shares of Rs. 1/- each (Previous Year 126,503,000 Equity Shares of Rs. 1/- each)	126,503,000.00	126,503,000.00
Forfeited Shares (amount originally paid up)	-	-
Total subscribed and paid up share capital	126,503,000.00	126,503,000.00
11.2.1 (a) The reconciliation of the no of shares outstanding at the beginning and at the end of the year:		
At the beginning of the year	126,503,000	126,503,000
Outstanding at the end of the year	126,503,000	126,503,000
(b) Terms/rights attached to equity shares		
<p>The Company has only one class of equity shares having a part value of Re.1 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed if any by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the Shareholders</p>		
11.2.2 The details of share holders holding more than 5% shares:		
Premier Fiscal Services (P) Ltd	25,000,000	*25000000
	19.76%	19.76%

Note 12: OTHER EQUITY

Share Premium	60,000,000.00	60,000,000.00
Investment Subsidy	2,000,000.00	2,000,000.00
General Reserve	7,222,892.00	7,222,892.00
Capital Reserve (Forfeit of warrant)	7,250,000.00	7,250,000.00
Retained Profit on Property, plant and equipment (net of deferred tax)	(1,407,366.80)	(1,407,366.80)
Balance in Profit & Loss		
Balance at the beginning of the year	156,972,117.19	138,408,778.09
Add: Profit for the year	40,381,508.84	18,563,339.10
Balance at the Closing of the year	197,353,626.03	156,972,117.19
TOTAL	272,419,151.23	232,037,642.39

Note 13: OTHER FINANCIAL LIABILITIES

Particulars	As at 31.03.2021	As at 31.03.2020
Unsecured Sales Tax Deferrment (Govt.)	-	154,902.00
Total	-	154,902.00

13.1 Sales Tax deferment availed till the current account period is due for repayment after 12 months from Balance Sheet as under:

Year of Repayment	Rs.	
2021-22	154,902	154,902
Total	154,902	154,902

Note 14: Deferred Tax (Liability)/Assets

Particulars	As at 31.03.2021	As at 31.03.2020
a) Difference between Book & Tax Depreciation (Liability)	5,791,712	7,498,489
b) Others	(4,262,065)	(3,509,111)
Total	1,529,647	3,989,378
Net Deferred Tax Liability/(Assets)	1,529,647	3,989,378

Note 15: CURRENT BORROWINGS

Particulars	As at 31.03.2021	As at 31.03.2020
a) Secured		
From Banks - Secured		
AXIS Bank LTD - IUBD A/C	-	1,030,140.00
Axis Bank C/C	20,657,547.79	48,812,759.46
(The due to Axis Bank Limited - Secured by means of Hypothecation of Stocks of Raw Material, Semi Finished & Finished Goods, Stores & Spare parts and Book-debts and First Charge on the Fixed Assets of the Company and personal guarantee of One Director)		
AXIS Bank - COVID Loan A/C.	9,070,705.00	-
AXIS Bank PCFE A/C No 920080057980853	43,890,932.41	-
Axis Bank- Term Loan - (Secured against exclusive first charge on Fixed Assets of the Company)	-	296.00
Total	73,619,185.20	49,843,195.46

Note 16: Trade Payables

Particulars	As at 31.03.2021	As at 31.03.2020
Trade Payable	59,446,990.95	81,320,389.32
Total	59,446,990.95	81,320,389.32
Note 16.1: Dues to Micro, Small and Medium enterprises has been determined to the extent such parties have been identified on the basis of information available with the company.	12,329,147	12004968
Note 16.2: Trade payables are non-interest bearing and normally settled within 90 days term.		

Note 17: Other Current Liabilities

Particulars	As at 31.03.2021	As at 31.03.2020
Creditors for Capital Goods	-	1,846,630.00
Advances from Customers	3,728,564.51	18,377,857.41
Other Liabilities	29,171,980.39	32,632,874.35
Sales Tax Deferment (Govt.)	154,902.00	394,431.00
Total	33,055,446.90	53,251,792.76

Note 17.1: Other liabilities consist of PF, ESI, SERVICE TAX, TDS, GST and TCS payable etc

Note 18: PROVISIONS

Particulars	As at 31.03.2021	As at 31.03.2020
Provision for leave encashment	5,562,227.00	2,813,825.00
Total	5,562,227.00	2,813,825.00

Note 19: CURRENT TAX LIABILITIES

Particulars	As at 31.03.2021	As at 31.03.2020
Current Tax Liabilities (Net)	18,708,422.14	21,348,157.00
Total	18,708,422.14	21,348,157.00

Note 20: REVENUE FROM OPERATION

Particulars	As at 31.03.2021	As at 31.03.2020
Sale of Products	636,272,839.14	599,283,525.09
Other Operating Revenues	228,451.00	294,353.90
	636,501,290.14	599,577,878.99
Less: Gst	40,011,317.00	43,404,822.24
Net Revenue from Operation	596,489,973.14	556,173,056.75

Note 21: OTHER INCOME

Particulars	As at 31.03.2021	As at 31.03.2020
Interest Income (TDS Rs. 43186/- Previous Year Rs. 39208/-)	538,160.00	793,043.00
INSURANCE CLAIM RECEIVED	-	33,544.00
SUNDRRY BALANCES WRITTEN OFF/BACK	730.54	-
MEIS BENEFIT	3,923,411.00	6,141,323.00
Exchange Rate Fluctuation	-	2,035,036.23
Duty Draw back	782,079.00	511,024.00
Total	5,244,380.54	9,513,970.23

Note 22: COST OF RAW MATERIAL CONSUMED

Particulars	As at 31.03.2021	As at 31.03.2020
Opening Stock of Raw material	20,865,655.00	15,271,112.00
Add: Purchases during the year	333,793,709.38	356,905,814.32
Total	354,659,364.38	372,176,926.32
Less: Closing Stock of Raw material	12,760,100.00	20,865,655.00
Cost of Raw Material Consumed	341,899,264.38	351,311,271.32

Note 23: Change in Inventoris of Finished Goods, Stock-In Trade & Work-In Progress

Particulars	As at 31.03.2021	As at 31.03.2020
Opening Stocks		
Work in Progress	19,025,930.00	17,459,872.00
Finished Goods	31,509,540.00	17,964,943.00
Total	50,535,470.00	35,424,815.00
Closing Stocks		
Work in Progress	24,573,996.00	19,025,930.00
Finished Goods	10,662,025.00	31,509,540.00
Total	35,236,021.00	50,535,470.00
Changes in Stock	15,299,449.00	(15,110,655.00)

Note 24: EMPLOYEE BENEFITS EXPENSE

Particulars	As at 31.03.2021	As at 31.03.2020
Salaries, Wages and bonus	61,022,354.00	59,708,620.00
Contributions to Provident and other funds	5,053,343.00	3,463,287.00
Gratuity	2,229,479.00	1,724,382.00
Staff Welfare expenses	3,774,205.95	3,222,644.56
Total	72,079,381.95	68,118,933.56

Note 25: FINANCE COST

Particulars	As at 31.03.2021	As at 31.03.2020
Interest and Finance Charges	7,435,090.65	7,535,758.93
Total	7,435,090.65	7,535,758.93

Note 26: OTHER EXPENSES

Particulars	As at 31.03.2021	As at 31.03.2020
Pollution control expenses	9,778,905.48	12,703,292.90
Consultancy & Legal Expenses	1,218,801.50	2,421,080.00
Rent & Facilities	2,282,476.00	3,263,073.00
Electricity Charges	624,303.77	761,561.16
Security Charges	1,190,869.00	1,110,325.00
Printing & Stationery	463,558.05	896,842.18
Communication Expenses	784,000.33	1,060,024.50
Insurance	838,413.00	932,941.88
Travelling & Conveyance Exp.	2,904,905.00	5,628,851.00
Selling Expenses	8,329,174.00	4,942,286.00
Carriage Outwards	15,691,711.52	11,253,420.11
Auditors' Remuneration:		
i. Audit Fees	200,000.00	137,400.00
ii. Tax Audit Fees	35,000.00	35,650.00
iii. Certification & Others	238,000.00	173,000.00
Vehicle Maintenance	216,870.00	821,263.00
Sales Tax	-	687,285.00
Exchange Rate Fluctuation	487,580.21	-
Miscellaneous Expenses	5,623,605.50	5,426,854.04
Sundry Balances Written Off (Net)	-	162,192.31
Stores, Spares & Others	7,319,678.24	6,624,292.69
Packing Material	9,864,566.00	10,734,453.50
Power & Fuels	29,475,143.80	32,213,375.80
Repairs & Maintenance – Buildings	524,420.96	302,150.96
Repairs & Maintenance - Plant & Machinery	1,039,327.16	1,907,571.20
Repairs & Maintenance - Others	314,911.00	412,269.00
Job Work Charges	2,432,523.00	14,708,090.00
Total	101,878,743.52	119,382,145.23

Note 27: EXCEPTIONAL ITEMS

Particulars	As at 31.03.2021	As at 31.03.2020
Sundry balances adjusted	3,713,269.00	1,086,180.89

Note 28: EARNING PER SHARE

Particulars	As at 31.03.2021	As at 31.03.2020
Net Profit the basic EPS	40,381,508.84	18,563,339.10
Weighted Average No.of Shares	126,503,000	126,503,000
Annualized Basic Earning per share (Basic and Diluted)	0.319	0.147

Note 29: Contingent Liability

S.No	Particulars	As at 31.03.2021	As at 31.03.2020
i)	Income-tax where appeals/Petitions are pending with Various Authorities	*59.14	*49.39
ii)	Sales Tax where Appeal is pending	*111.04	*111.04
	*Company is hopeful of complete relief,hence no provision is made.		

#	Nature of Statute	Nature of Dues	Amount RS in Lacs	Period to which the amount relates to	Forum where the dispute is pending
1	CST	Sales Tax	96.47	2001-02	CTO Commissioner (ST)
2	CST	Sales Tax	14.57	2007-08	Appellate DC (CT)
	Total		111.04		
				Asstt Year	
3	Income Tax	Income Tax	8.22	2001-02	Appellate Authority
		Income Tax	37.36	2002-03	Appellate Authority
		Income Tax	3.81	2015-16	Appellate Authority
		Income Tax	9.75	2019-20	Appellate Authority
	Total		59.14		

Based on the experiences,the management is of the opinion that the above cases would be in favour of the company. However in case of loss then there could be significant impact on the financial statement of the company.

Note 30:

S.No	Particulars	As at 31.03.2021	As at 31.03.2020
A.	C.I.F. value of imports by the Company (Excluding imported items purchased locally)		
	Raw Materials	24,229,692	74,466,029
	Fixed Assets	-	-
B.	Expenditure in foreign currency during the year:		
	a) Foreign Travel Expenses	-	1,032,608
	b) Sales Commission	3,994,772	3,012,037
	c) Bank Charges	352,851	330,612
	d) Business Promotion Charges	112,073	48,547

C Details of consumption of imported and indigenous items

S.No	Particulars	As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020
		RS	%		%
	Imported Raw Material	30,746,572	9%	71143526	20%
	Indigenous Raw material	311,152,692	91%	280,167,745	80%
	Stores, Spares Parts & Components	7,319,678	100%	6,624,293	100%
	Total	349,218,942		357,935,564	

D. Segment Details

The Company is engaged in manufacture of Bulk Drugs & Intermediates which in the context of Accounting Standard- 17 issued by the Institute of Chartered Accountants of India is considered as a single segment.

The geographic segments individually contributing 10 percent or more of the Company's revenues and segment assets are shown separately:

#	Geographic Segment	Revenues For the year ended 31.03.2021	Segment assets As at 31.03.2021	Revenues For the year ended 31.03.2020	Segment assets As at 31.03.2020
1	ALGERIA	2.46	-	-	-
2	ARGENTINA	3.69	-	3.5	-
3	BANGALDESH	47.28	-	43.9	4.06
4	BOLIVIA	4.96	-	7.21	-
5	COLOMBIA	169.76	7.02	18.2	-
6	ECUADOR	50.88	-	-	-
7	EGYPT	684.79	92.47	595.01	-
8	EL SALVADOR	70.49	-	62.44	-
9	GERMANY	97.70	-	137.81	-
10	GUATEMALA	102.66	-	105.68	-
11	IRAN	156.41	22.20	524.24	22.20
12	ISRAEL	1.37	-	-	-
13	JORDAN	15.67	-	-	-
14	MEXICO	268.55	-	2.52	-
15	NICARAGUA	4.41	-	-	-
16	NEPAL	-	-	4.64	-
17	PANAMA CITY	3.81	-	-	-
18	PERU	246.33	37.82	205.16	21.33
19	RUSSIA	-	-	10.26	-
20	ROTTERDAM	-	-	1.96	-
21	SAUDI ARABIA	15.68	-	14.37	-
22	SINGAPORE	-	-	31.83	-
23	SPAIN	2.00	-	176.44	4.53
24	SWITZERLAND	-	-	97.05	-
25	U A E	-	-	27.53	-
26	U S A	-	-	1.28	-
27	VIETNAM	458.52	-	228.48	-
28	YEMAN	10.22	-	-	-
29	PAKISTAN	-	-	1.29	-
30	INDIA	3547.26	735.14	3260.91	575.84
	TOTAL	5964.90	894.65	5561.71	627.96

Particulars	As at 31.03.2021	As at 31.03.2020
E. Earning in Foreign Currency on F.O.B. basis		
Export of Goods	229,334,868	219,851,146

Note 31: RELATED PARTIES DISCLOSURES

Name of related parties and related party relationship

Related parties with whom transactions have taken place during the year

Enterprise having significant influence on the Company

Key Management Personnel/Directors

Mr Arihant Baid (Managing Director)

Mr T M Gopalakrishnan (Whole Time Director)

Mr Y Ravinder Reddy (Independent Director)

Ms. Sadhana Bhansali (Independent/Woman Director)

Mr A.S.Nageswar Rao (Independent Director - Appointed on 21-12-2020)

Mr A.R.R. Pantulu (Independent Director - Appointed on 21-12-2020)

Mr L.P.Baid (Chief Financial Officer)

Mr Rajesh Vankodara (Company Secretary - Appointed on 15.02.2020)

Relative of Key Management Personnel/Directors

Mr Vinod Baid

Enterpriss owned or significantly influenced by Key

Management Personnel/Directors or their relatives

(Deccan Remedies Limited)

Relative of Key Management Personnel/Directors

Mr T M Gopalakrishnan (Director)

Note 31.1: Remuneration of Key Personnel/Directors

S.No	Name & Relationship	Nature of Transaction	Year ended	Amount (Rs.)
1	Mr. Arihant Baid	Remuneration	31.03.2021	3,028,800
	Managing Director	Remuneration	31.03.2020	3,028,800
2	Mr T.M. Gopalakrishnan	Remuneration	31.03.2021	2,538,194
	Whole-Time Director	Remuneration	31.03.2020	3,643,433
3	Mr L.P.Baid	Remuneration	31.03.2021	1,580,750
	Chief Financial Officer	Remuneration	31.03.2020	1,493,100
4	Mr Vankadara Rajesh	Remuneration	31.03.2021	839,403
	Company Secretary	Remuneration	31.03.2020	110,717

Note 32: Employees Benefits:

Note 32.1: Company has not renewed the Group Gratuity Scheme policy with LIC.

Therefore, gratuity valuation has been done through Independent agency as per IndAS19. As per the valuation made

by the Independent Agency the present value of accrued gratuity comes to Rs 2,229,479/- on estimates of discounts @ 6.68% and escalation on salaries @ 5% which has taken in accounts.

Note 32.2: Defined Contribution Plan:

Contribution to defined contribution plan, recognized as expenses for the year are as under:

Employer's Contribution to Provident/Pension Fund - Rs. 1972615/-

The Company contributes applicable rates of salary of all eligible employees towards Provident Fund managed by the Central Government.

Leave Encashment: -

The Company has provided a sum of Rs. 2926121/- towards Leave encashment based on actuarial valuation.

Note 33: Balance in Advances, Deposits, Unsecured loans, other Liabilities, Trade Receivables, Trade Payables and advances against suppliers are

subject to confirmation and reconciliation by respective parties.

Note 34: Fixed Assets includes land for which Registration formalities are yet to be completed.

Note 35: The Company's Lease Agreement in respect of Building at Srinagar Colony. The Lease Rentals payable are charged as "Lease Rental Charges" under "Other Expenses" in Note No - 25. This leasing arrangement is for longer period and renewable by mutual consent on mutually agreeable terms. Future lease rental payable are as under:

(Rupees in Lakhs)

Particulars	as at March 31, 2021*	as at March 31, 2020
Payable:		
Not later than one year	1.64	3.27
Later than one year but not later than 3 years.	42.52	0.00
Later than 3 years.	0.00	0.00

* The above figures are given without discounting at present value

Note 36: Investment includes Rs.70,000,000 in Shares of Deccan Remedies Limited for the Company's expansion plans.

Note 37: There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

Note 38: In accordance with the Accounting Standards (AS-28) on "Impairment of Assets" the management during the year carried out exercise of identifying the assets that may have been impaired in respect of each cash generating unit. On the basis of this review carried out by the management there was no impairment loss on the fixed assets during the year ended 31st March, 2021.

Note 39: Investment Subsidy received from Andhra Pradesh Government is shown under Other Equity.

As Per our report attached

For PPKG & CO

Chartered Accountants
Firm Registration No: 0096555

GIRIDHARI LAL TOSHNIWAL

Partner
M.No. 205140
UDIN: 21205140AAAAIW7065

Place : Hyderabad
Date : 30th June, 2021

**For and on behalf of the Board
Gennex Laboratories Limited**

T M Goplakrishnan
Whole-time Director

Rajesh Vankadara
Company Secretary

Arihant Baid
Managing Director

Laxmipat Baid
CFO

Note 40: Income tax

Rs. in Lakhs

Particulars	March 31, 2021	March 31, 2020
Tax expense/(credit) comprises of:		
Current income tax	127.00	75.00
Deferred tax	-24.60	-16.12
Income tax expense reported in the statement of profit or loss	102.40	58.88
The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 25.17% (March 31, 2020: 25.17%) and the reported tax expense in profit or loss are as follows: Reconciliation of tax expense and the accounting profit multiplied by India's tax rate		
Profit before tax	506.22	254.86
Tax at the Indian tax rate (25.17%) (March 31, 2020: 27.82%)	127.41	70.90
Adjustments:		
CSR expenses and other donations	—	—
Weighted deduction on research and development expense	—	—
Tax incentives	—	—
Capital gain tax	—	—
MAT credit utilisation	—	—
Deferred tax assets not recognized / (utilized)	24.60	16.12
Effect of change in tax laws and rate in jurisdictions outside India	—	—
Other Adjustments	0.41	-4.10
Income tax expense	102.40	58.88

Note 41: Capital management

Rs. in Lakhs

Particulars	March 31, 2021	March 31, 2020
Borrowings	736.19	498.43
Trade Payables	594.47	813.20
Less: Cash & Cash Equivalents	106.91	91.26
Net Debt	1,223.75	1,220.37
Equity Capital	3,989.22	3,585.41
Equity Capital and Net Debt	5,212.97	4,805.78
Gearing Ratio	23%	25%

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021 and March 31, 2020.

Note 42: Fair Values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Rs in Lakhs

Particulars	Carrying	Values	Fair	Values
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Financial Assets				
Investments	682.75	682.75	682.75	682.75
Other financial assets	27.97	22.04	27.97	22.04
Tax Assets (Net)	-	-	-	-
Trade Receivables	894.65	627.96	894.65	627.96
Cash and Cash Equivalents	18.61	19.37	18.61	19.37
Bank balances other than cash and cash equivalents	88.30	71.89	88.30	71.89
Other financial assets	2146.80	1827.42	2146.80	1827.42
Total	3,859.08	3,251.43	3,859.08	3,251.43
Financial Liabilities				
Non-current Borrowings	-	-	-	-
Other non-current financial Liabilities	-	1.55	-	1.55
Current Borrowings	736.19	498.43	736.19	498.43
Trade Payables	594.47	813.20	594.47	813.20
Other current financial Liabilities	330.45	532.52	330.45	532.52
Total	1,661.11	1,845.70	1,661.11	1,845.70

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

Note 43: Fair values hierarchy

Financial assets and liabilities measured at fairvalue in the statement of financial position are grouped into three levels of fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for the financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using the valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

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

Rs in Lakhs

Particulars	Date of valuation	Total	Quoted prices	Significant	Significant
			in active markets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Fair value of financial assets disclosed:					
Investments	31-Mar-2021	682.75	-	682.75	-
Other financial assets	31-Mar-2021	27.97	-	27.97	-
Tax Assets (Net)	31-Mar-2021	-	-	-	-
Trade Receivables	31-Mar-2021	894.65	-	894.65	-
Cash and Cash Equivalents	31-Mar-2021	18.61	-	18.61	-
Bank balances other than cash and cash equivalents	31-Mar-2021	88.30	-	88.30	-
Other financial assets	31-Mar-2021	2146.80	-	2146.80	-
Total		3,859.08	-	3,859.08	-

There have been no transfers between Level 1 and Level 2 during the period.

Quantitative disclosures fair value measurement hierarchy for liabilities as at March 31, 2021:

Fair value of financial liabilities disclosed

Non-current Borrowings	31-Mar-2021	-	-	-
Other non-current financial Liabilities	31-Mar-2021	-	-	-
Current Borrowings	31-Mar-2021	736.19	736.19	-
Trade Payables	31-Mar-2021	594.47	594.47	-
Other current financial Liabilities	31-Mar-2021	330.45	330.45	-
Total		1,661.11	1,661.11	-

There have been no transfers between Level 1 and Level 2 during the period.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities: Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2020:

Rs in Lakhs

Particulars	Date of valuation	Total	Quoted prices	Significant	Significant
			in active markets	Observable Inputs	Unobservable Inputs
			(Level 1)	(Level 2)	(Level 3)
Fair value of financial assets disclosed					
Investments	31-Mar-2020	682.75	-	682.75	-
Other financial assets	31-Mar-2020	22.04	-	22.04	-
Tax Assets (Net)	31-Mar-2020	-	-	-	-
Trade Receivables	31-Mar-2020	627.96	-	627.96	-
Cash and Cash Equivalents	31-Mar-2020	19.37	-	19.37	-
Bank balances other than cash and cash equivalents	31-Mar-2020	71.89	-	71.89	-
Other financial assets	31-Mar-2020	1827.42	-	1827.42	-
Total		3,251.43	-	3,251.43	-

There have been no transfers between Level 1 and Level 2 during the period.

Quantitative disclosures fair value measurement hierarchy for liabilities as at March 31, 2019:

Fair value of financial liabilities disclosed

Non-current Borrowings	31-Mar-2020	0.00	-	0.00	-
Other non-current financial Liabilities	31-Mar-2020	1.55	-	1.55	-
Current Borrowings	31-Mar-2020	498.43	-	498.43	-
Trade Payables	31-Mar-2020	813.20	-	813.20	-
Other current financial Liabilities	31-Mar-2020	532.52	-	532.52	-
Total		1,845.70	-	1,845.70	-

There have been no transfers between Level 1 and Level 2 during the period.

Note 44: Financial risk management objectives and policies

The Company is exposed to financial risk such as Market Risk (Interest Rate Risk, fluctuation in foreign exchange rates and price risk), credit risk and liquidity risk. The general risk management program of the Company focuses on the unpredictability of the financial markets and attempts to minimize their potential negative influence on the financial performance of the Company. The Company continuously reviews its risk exposures and takes measures to limit it to acceptable levels. The Board of Directors have the overall responsibility for the establishment and oversight of the Company's risk management framework.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk i.e. interest rate risk, foreign currency risk and other price risk. Financial instruments of the Company affected by market risk include borrowings and deposits.

The sensitivity analysis in the following sections relate to the position as at March 31, 2021 and March 31, 2020

The analysis exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities.

The following assumptions have been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2021 and March 31, 2020.

Interest Rate Risk

The interest rate risk arise from long term borrowing of the company with variable interest rates (Bank one year MCLR plus spread). Although the spread is fixed, it is subject to change at fixed time interval or occurrence of specified event(s). Management monitors the movement in interest rate and, wherever possible, reacts to material movements in such rates by restructuring its financing arrangement.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/(decrease) in Interest Rate	Increase/(decrease) in Profit beofe tax
March 31, 2021		
INR	0.5% p.a.	-1.94
INR	(0.5)% p.a.	1.94
March 31, 2020		
INR	0.5% p.a.	-1.94
INR	(0.5)% p.a.	1.94

Price risk

Price risk is the risk of fluctuations in the change in prices of equity Investments. The Company's investment in JV company is of strategic in nature rather than for trading purpose.

Credit risk

Credit risk is the risk arising from credit exposure to customers and the counterparty will default on its contractual obligations.

The Company has adopted a policy of only dealing with creditworthy customers/ corporates to minimise collection losses. Credit Control team assesses the credit quality of the customers, their financial position, past experience in payments and other relevant factors. Advance payments are obtained from customers in banquets, as a means of mitigating the risk of financial loss from defaults.

The carrying amount of trade and other receivables, advances to suppliers, cash and short- term deposits and interest receivable on deposits represents company's maximum exposure to the credit risk. No other financial asset carry a significant exposure with respect to the credit risk. Deposits and cash balances are placed with Schedule Commercial banks.

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 assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company also holds advances as security from customers to mitigate credit risk.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments held by the Company are in the nature of investment in jointly controlled entity and also an investment in an alternate energy supply company as required under the respective State energy policy. Both the categories are unquoted non-trade equity.

Liquidity risk

Liquidity risk is the risk that the Company will have difficulty in raising the financial resources required to fulfil its commitments.

Liquidity risk is held at low levels through effective cash flow management. Cash flow forecasting is performed internally by rolling forecasts of the Company's liquidity requirements to ensure that it has sufficient cash to meet operational requirements, to fund scheduled capex and debt repayments and to comply with the terms of financing documents.

The Company primarily uses short-term bank facilities in the nature of bank overdraft facility to fund its ongoing working capital requirements.

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Independent Auditor's Report

To the Members of
Gennex Laboratories Limited

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

1. We have audited the accompanying Consolidated financial statements of Gennex Laboratories Limited ('the Company'), which comprise the Consolidated Balance Sheet as at 31st March, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us except for the information referred to in Basis for Qualified opinion of our report, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (Financial position) of the Company as at 31st March, 2021, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Qualified Opinion

3. The Balances of Current Assets, Other Non-Current Assets, Non-Current Liabilities, Other Non-Current Liabilities, Current Liabilities & Other Current Liability are subject to Confirmation/reconciliations. The Impact of the same is, unascertained.
4. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules there under, 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.

Key Audit Matter

5. Key audit matters 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 financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

6. We have determined the matter described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our Audit addressed the key audit matter
<p>Carrying value of Investment in Associate entity.</p> <p>The Company has an investment of Rs 700 lakhs in its associate Deccan Remedies Ltd</p>	<p>As informed to us, The Company is still in the construction stage and yet to commence the operation, Hence valued at Cost.</p>
<p>Pending Land registration</p>	<p>Discussion with the management on the development in these litigations during year ended March 31st, 2021</p> <p>Review of the disclosures made by the company in the financial statements in this regard.</p> <p>Obtain representation letter from the management on the assessment of these matters.</p>

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

7. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Financial Statements

8. 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 Consolidated financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
9. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
10. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors Responsibilities for the Audit of the Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report Consolidated Financials that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing 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 financial statements.

12. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the 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 explaining our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
13. 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.
14. 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.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

16. We did not audit the financial statements and other financial information of the Associate Company whose financial statements reflect total assets (before consolidation adjustments) of Rs. 28.29 Crores as at 31 March 2021, total revenues (before consolidation adjustments) of Nil and net cash outflows (before consolidation adjustments) amounting to Rs. (25,902)/- for the year ended on that date, as considered in the consolidated financial statements. These financial statements and 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 Associates and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid Associates is based solely on the audit reports of the other auditors.

17. Our opinion above 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

18. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A statement on the matters specified in paragraphs 3 and 4 of the Order.
19. Further to our comments in Annexure A, as required by section 143(3) of the Act, 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 purpose of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the Consolidated financial statements dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid Consolidated financial statements comply with Ind AS specified under section 133 of the Act;
 - e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of section 164(2) of the Act;
 - f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2021 in conjunction with our audit of the Consolidated financial statements of the Company for the year ended on that date and our report as per Annexure B expressed unmodified opinion; and
 - g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations on its financial position as at 31 March 2021;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021; and
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8th November 2016 to 30th December 2016, which are not relevant to these Consolidated financial statements. Hence, reporting under this clause is not applicable.
 - h) We did not audit the financial statements of Associate Company and Company's Branches which are included in the consolidated financial report. These financial statements have been audited by other auditors whose report have been furnished to us by the management and our opinion on the consolidated financial reports, in so far as it relates to the amounts and disclosures included in respect of this associate and Branch is based solely on the reports of the other auditors.

20. As required by section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

For **PPKG & Co**

Chartered Accountants

Firm's Registration No.: 009655S

Girdhari Lal Toshniwal

Partner

Membership No.: 205140

UDIN: 21205140AAAAIX8712

Place: Hyderabad

Date: 30th June 2021

Annexure A to the Independent Auditor's Report of even date to the members of Gennex Laboratories Limited, on the consolidated financial statements for the year ended 31 March 2021

Based on the audit procedures performed for the purpose of reporting a true and fair view on the Consolidated financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment' are held in the name of the Company except for the Land case amounting to Rs.7,78,75,000 is pending registration.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year, No material discrepancies were noticed on the aforesaid verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company
- (iv) In our opinion, the Company has complied with the provisions of Section 186 in respect of investments and loans. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of guarantees and security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of The Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act, As informed to us the provision of sec 148(1) are now applicable and the Cost Audit for the year 2020-21 is in progress.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, duty of customs, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) The dues outstanding in respect of income tax, sales-tax, service-tax, duty of customs on account of disputes, are as follows:

#	Nature of Statute	Nature of Dues	Amount (Rs in Lacs)	Period to which the amount relates to	Forum where the Dispute is pending
			(Disputed)	Assmt year	
1	CST	Sales Tax	96.47	2001-02	High Court
2	CST	Sales Tax	14.57	2007-08	Appellate DC(CT)
		Total	111.04		

#	Nature of Statute	Nature of Dues	Amount (Rs in Lacs)	Period to which the amount relates to	Forum where the Dispute is pending
			(Disputed)	Assmt year	
3	Income Tax	Income Tax	8.22	2001-02	Appellate Authority
		Income Tax	37.36	2002-03	Appellate Authority
		Income Tax	3.81	2015-16	Appellate Authority
		Income Tax	9.75	2019-20	Appellate Authority
		Total	59.14		

- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank during the year. The Company has loans or borrowings payable to financial institutions or government and does not have any outstanding debentures during the year.
- (ix) In our opinion, and according to the information and explanations given to us, the moneys raised by way of term loans have been applied, on an overall basis, for the purposes for which they were obtained. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments)
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management
- (xi) Managerial remuneration has been paid / provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the consolidated financial statements etc., as required by the applicable Ind AS.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Accordingly, provisions of the clause 3(xiv) of the order are not applicable.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act. Accordingly, the provisions of clause 3(xv) of the order are not applicable.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **PPKG & Co**

Chartered Accountants

Firm's Registration No.: 009655S

Girdhari Lal Toshniwal

Partner

Membership No.: 205140

UDIN: 21205140AAAAIX8712

Place: Hyderabad

Date: 30th June, 2021

Annexure B to the Independent Auditor's Report of even date to the members of Gennex laboratories Limited, on the consolidated financial statements for the year ended 31 March 2021

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

Opinion

1. In conjunction with our audit of the consolidated financial statements of Gennex Laboratories Limited ('the Company') as at and for the year ended 31st March 2021, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.
2. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2021, 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 issued by the ICAI.

Management's Responsibility for Internal Financial Controls

3. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('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 the Company's 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

4. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. 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 IFCoFR were established and maintained and if such controls operated effectively in all material respects.
5. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, 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 financial statements, whether due to fraud or error.
6. 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 IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

7. A company's IFCoFR 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 IFCoFR include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

- (3) Provide reasonable assurance regarding prevention or timely detection of 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

8. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **PPKG & Co**

Chartered Accountants

Firm's Registration No.: 009655S

Girdhari Lal Toshniwal

Partner

Membership No.: 205140

UDIN: 21205140AAAAIX8712

Place: Hyderabad

Date: 30th June, 2021

BALANCE SHEET AS AT March 31, 2021 (CONSOLIDATED)

S.No	Particulars	Note No	As at 31.03.2021	As at 31.03.2020
1	ASSETS			
	Non-Current Assets			
	Property, Plant and Equipment	3	141,257,198.30	149,276,825.00
	Capital work-in-progress		-	-
	Financial Assets			
	Investments in Associate	4(a)	68,174,876.00	68,174,876.00
	Other Investment	4(b)	100,000.00	100,000.00
	Other non-current financial assets			
	Other non-current assets	5	2,796,887.00	2,203,697.00
	Total non-current assets		212,328,961.30	219,755,398.00
2	Current Assets			
	Inventories	6	50,184,862.00	74,373,126.00
	Financial Assets			
	Trade receivables	7	89,464,597.26	62,795,865.00
	Cash and Cash Equivalents	8(a)	1,861,280.00	1,937,409.00
	Bank Balance other than Cash and Cash Equivalents	8(b)	8,830,197.53	7,188,728.00
	Other Current Assets	9	214,680,174.20	182,741,542.00
	Total Current Financial Assets		314,836,248.99	254,663,544.00
	Current tax assets (Net)		0	0
	Other Current Assets	10	11,668,874.13	20,645,089.00
	Total Current Assets		376,689,985.12	349,681,759.00
	Total Assets		589,018,946.42	569,437,157.00
	EQUITY AND LIABILITIES			
1	Equity			
	Equity Share Capital	11	126,503,000.00	126,503,000.00
	Other Equity	12	270,594,027.23	230,212,518.00
	Total Equity		397,097,027.23	356,715,518.00
	Non-Current Liabilities			
	Financial Liabilities			
	Other financial liabilities	13	-	154,902.00
	Deferred Tax Liabilities (Net)	14	1,529,647.00	3,989,378.00
	Total Non-Current Liabilities		1,529,647.00	4,144,280.00
	Current Liabilities			
	Financial Liabilities			
	Borrowings	15	73,619,185.20	49,843,195.00
	Trade Payables			
	Total outstanding dues of MSME's(refer Note)		-	-
	Total outstanding dues of creditors other than MSME's	16	59,446,990.95	81,320,389.00
	Other financial liabilities	17	33,055,446.90	53,251,793.00
	Total Current Financial Liabilities		166,121,623.05	184,415,377.00
	Other Current Liabilities			
	Provisions	18	5,562,227.00	2,813,825.00
	Current Tax Liabilities (Net)	19	18,708,422.14	21,348,157.00
	Total Current Liabilities		24,270,649.14	24,161,982.00
	TOTAL EQUITY AND LIABILITIES		589,018,946.42	569,437,157.00
	Significant Accounting Policies			
	The accompanying notes are an integral part of these financial statements	1 to 44		

As Per our report attached

For PPKG & CO

Chartered Accountants
Firm Registration No: 0096555

GIRIDHARI LAL TOSHNIWAL

Partner
M.No. 205140
UDIN: 21205140AAAAIX8712

Place : Hyderabad
Date : 30th June, 2021

**For and on behalf of the Board
Gennex Laboratories Limited**

T M Goplakrishnan
Whole-time Director

Rajesh Vankadara
Company Secretary

Arihant Baid
Managing Director

Laxmipat Baid
CFO

Statement of Profit and Loss for the year ended March 31, 2021 (Consolidated)

S.No	Particulars	Note No	As at 31.03.2021	As at 31.03.2020
I	Income			
	Revenue from Operations	20	636,501,290.14	599,577,878.99
	Less: Excise/ GST		40,011,317.00	43,404,822.24
			596,489,973.14	556,173,056.75
II	Other Income	21	5,244,380.54	9,513,970.23
III	Total Income (I + II)		601,734,353.68	565,687,026.98
IV	Expenses:			
	Cost of materials Consumed	22	341,899,264.38	351,311,271.32
	Purchase of Stock-in-trade		-	-
	Changes in Inventories of Finished Goods, Stock-in-trade and Work-in-progress	23	15,299,449.00	(15,110,655.00)
	Employee Benefits expense	24	72,079,381.95	68,118,933.56
	Finance Costs	25	7,435,090.65	7,535,758.93
	Depreciation expenses	3	8,807,377.34	10,049,710.73
	Other Expenses	26	101,878,743.52	119,382,145.23
	Total Expenses (IV)		547,399,306.84	541,287,164.77
V	Profit/(Loss) before Exceptional Items & Tax (I - IV)		54,335,046.84	24,399,862.21
VI	Exceptional Items	27	3,713,269.00	1,086,180.89
VII	Profit before Tax		50,621,777.84	25,486,043.10
VIII	Tax Expense			
	Adjustment of tax relating to previous years		-	(1,034,412.00)
	Current Tax		(12,700,000.00)	(7,500,000.00)
	Deffered Tax		2,459,731.00	1,611,708.00
	Profit for the year from continuing operations (VII - VIII)		40,381,508.84	18,563,339.10
X	Profit / (Loss) for the period from discontinued operations		-	-
XI	Tax Expenses of discontinued operations		-	-
XII	Profit / (Loss) for the period from discontinued operations		-	-
XIII	Profit / (Loss) for the period (IX + XII)		40,381,508.84	18,563,339.10
XIV	Other Comprehensive Income			
A (i)	Items that will not be reclassified to Profit or Loss		-	-
(ii)	Income Tax relating to items that will not be reclassified to Profit or Loss		-	-
B (i)	Items that will be reclassified to Profit or Loss		-	-
(ii)	Income Tax relating to items that will be reclassified to Profit or Loss		-	-
XV	Total comprehensive Income for the year (XII + XIV) [Comprising Profit and Other Comprehensive Income for the year]		40,381,508.84	18,563,339.10
XVI	Earning per Equity Share for continuing operation in Rs (Face value per share Rs 1 each):			
	(1) Basic	28	0.319	0.147
	(2) Diluted		0.319	0.147
XVII	Earning per Equity Share for discontinuing operation:			
	(1) Basic		-	-
	(2) Diluted		-	-
XVIII	Earning per Equity Share (for continuing & discontinued operations)			
	(1) Basic		0.319	0.147
	(2) Diluted		0.319	0.147
	Significant Accounting Policies			
	The accompanying notes are an integral part of these financial statements	1 to 44		

As Per our report attached

For PPKG & CO

Chartered Accountants
Firm Registration No: 009655S

GIRIDHARI LAL TOSHNIWAL

Partner
M.No. 205140
UDIN: 21205140AAAAIX8712

Place : Hyderabad
Date : 30th June, 2021

**For and on behalf of the Board
Gennex Laboratories Limited**

T M Goplakrishnan
Whole-time Director

Rajesh Vankadara
Company Secretary

Arihant Baid
Managing Director

Laxmipat Baid
CFO

Cash Flow Statement as at March 31, 2021 (Consolidated)

Particulars	As at 31.03.2021	As at 31.03.2020
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax	50,621,778	25,486,043
Adjustment for :		
Depreciation and amoratisation expense	8,807,377	10,049,711
Finance Cost	7,435,091	7,535,759
Interest Income	(538,160)	(793,043)
(Gain)/loss on sale of asset	-	-
Operating Profit before working capital changes	66,326,086	42,278,470
Adjustment for :		
Trade payables and other liability	(39,321,342)	22,622,961
Trade receivables	(26,668,732)	41,181,617
Inventories	24,188,264	(21,102,076)
Financial and other Assets	(23,555,607)	(101,654,237)
Cash generated from operations	968,669	(16,673,265)
Adjustments for :		
Income Taxes paid	(15,339,735)	(39,208)
Net Cash from operating activities	(14,371,066)	(16,712,473)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property,plant and equipment	(787,750)	(2,945,344)
Sale of property,plant and equipment	-	-
Interest Income	538,160	793,043
Net Cash used in Investing activities	(249,590)	(2,152,301)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Borrowings	-	-
Changes in Long Term Borrowings	(154,902)	(394,431)
Changes in Short Term Borrowings (Net)	23,775,990	4,456,142
Interest Paid	(7,435,091)	(7,535,759)
Net Cash from Financing activities	16,185,997	(3,474,048)
Net Increase / (Decrease) in Cash and Cash equivalent (A+B+C)	1,565,341	(22,338,822)
Cash and Cash Equivalents as at the beginning of the year	9,126,137	31,464,959
Cash and Cash Equivalents as at the end of the year	10,691,478	9,126,137
Notes:		
1. The above Cash Flow Statement has been prepared under the " Indirect Method" set out in Indian Accounting Standard (Ind-AS)- 7 on Statement of Cash Flow.		
2. Figures in bracket indicate cash outflow.		
3. Previous year comparatives have been reclassified to confirm with current year's presentation,wherever applicable.		
Significant Accounting Policies		

The accompanying notes are an integral part of these financial statements 1 to 44

As Per our report attached

For PPKG & CO
Chartered Accountants
Firm Registration No: 0096555

GIRIDHARI LAL TOSHWIHAL
Partner
M.No. 205140
UDIN: 21205140AAAAIX8712

Place : Hyderabad
Date : 30th June, 2021

**For and on behalf of the Board
Gennex Laboratories Limited**

T M Goplakrishnan
Whole-time Director

Rajesh Vankadara
Company Secretary

Arihant Baid
Managing Director

Laxmipat Baid
CFO

Statement of Changes in Equity

A. EQUITY SHARE CAPITAL

Notes	Number of shares	Amount
As at 01st April, 2018	126,503,000	₹ 126,503,000
Changes in Equity Share Capital		
As at 31st March, 2019	126,503,000	₹ 126,503,000
Changes in Equity Share Capital		
As at 31st March, 2020	126,503,000	₹ 126,503,000
Changes in Equity Share Capital		
As at 31st March, 2021	126,503,000	₹ 126,503,000
As at 31 March 2021	126,503,000	₹ 126,503,000

B. Other Equity

Particulars	Share Application Money pending allotment	Equity Component of application financial Instrument	Reserves & Surplus				Debt Instrument through other Comprehensive Income	Equity Instrument through other Comprehensive Income	Effective Portion of Cash Flow Hedges	Effective difference on Translation the financial statement	Other Items of Comprehensive Income (Specify nature)	Money received against share capital	Total
			Capital Reserve	Securities Premium Reserve	Other Reserves (Specify nature)	Retained Earnings							
Balance at the beginning of the reporting period 2018	-	-	7,250,000	60,000,000	7,222,892	108,436,218	-	-	-	-	-	-	182,909,110
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-	-
Comprehensive Income for the year	-	-	-	-	-	8,357,665	-	-	-	-	-	-	8,357,665
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment Subsidy	-	-	-	-	-	-	-	-	-	-	-	-	-
Any Other Change (Depreciation)	-	-	-	-	-	-	-	-	-	-	-	-	-

Particulars	Share Application Money pending allotment	Equity Component of application financial Instrument	Reserves & Surplus				Retained Earnings	Debt Instrument through other Comprehensive Income	Equity Instrument through other Comprehensive Income	Effective Portion of Cash Flow Hedges	Effective difference on Translation the financial statement	Other Items of Comprehensive Income (Specify nature)	Money received against share capital	Total
			Capital Reserve	Securities Premium Reserve	Other Reserves (Specify nature)									
Balance at the end of the reporting period 2018	-	-	7,250,000	60,000,000	7,222,892	116,793,883	-	-	-	-	-	-	-	191,266,775
Balance at the beginning of the reporting period 2019	-	-	7,250,000	60,000,000	7,222,892	116,793,883	-	-	-	-	-	-	-	191,266,775
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Comprehensive Income for the year	-	-	-	-	-	20,382,404	-	-	-	-	-	-	-	20,382,404
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subsidy	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Any Other Change (Depreciation)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the reporting period 2019	-	-	7,250,000	60,000,000	7,222,892	137,176,287	-	-	-	-	-	-	-	211,649,179
Balance at the beginning of the reporting period 2020	-	-	7,250,000	60,000,000	7,222,892	137,176,287	-	-	-	-	-	-	-	211,649,179
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Particulars	Share Application Money pending allotment	Equity Component of application financial Instrument	Reserves & Surplus				Retained Earnings	Debt Instrument through other Comprehensive Income	Equity Instrument through other Comprehensive Income	Effective Portion of Cash Flow Hedges	Effective difference on Translation the financial statement	Other Items of Comprehensive Income (Specify nature)	Money received against share capital	Total
			Capital Reserve	Securities Premium Reserve	Other Reserves (Specify nature)									
Total Comprehensive Income for the year	-	-	-	-	-	16,738,215	-	-	-	-	-	-	-	16,738,215
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment Subsidy	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Any Other Change (Depreciation)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the reporting period 2020	-	-	7,250,000	60,000,000	7,222,892	155,739,626	-	-	-	-	-	-	-	230,212,518
Balance at the beginning of the reporting period 2021	-	-	7,250,000	60,000,000	7,222,892	155,739,626	-	-	-	-	-	-	-	230,212,518
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income for the year	-	-	-	-	-	40,381,509	-	-	-	-	-	-	-	40,381,509
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment Subsidy	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Any Other Change (Depreciation)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at the end of the reporting period 2021	-	-	7,250,000	60,000,000	7,222,892	196,121,135	-	-	-	-	-	-	-	270,594,027

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED MARCH 31, 2021

1. Company Background

Gennex Laboratories Limited (“the Company”) is a public limited company domiciled and incorporated in India in accordance with the provisions of the Companies Act, 1956. The registered office of the Company is located at Sy.No.133, IDA Bollaram, Jinnaram Mandal, Sangareddy District – 502 325, Telangana. The equity shares of the Company are listed on the Bombay Stock Exchange.

The Company is engaged in the business of manufacturing of Bulk Drugs and Intermediaries. The Company has manufacturing facilities in India which caters to both domestic and international markets.

These Consolidated financial statements for the year ended March 31, 2021 were authorized and approved for issue by the Board of Directors on June 30, 2021.

2. Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of the Consolidated Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1. Basis of Preparation

(i) Compliance with Ind AS

The Consolidated Financial statements comply in all material respects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the “Act”) [Companies (Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) Historical cost convention

The Consolidated financial statements have been prepared on going concern basis under the historical cost basis except for the following:

- Certain Financial assets and liabilities which are measured at fair value.
- Defined benefit plans – plan assets measured at fair value; and
- Contingent Consideration

(iii) New and amended standards adopted by the Company

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing 1st April, 2018:

- Ind AS 115, Revenue from Contracts with Customers
- Appendix B, Foreign Currency Transactions and Advance Consideration to Ind AS 21, The Effects of Changes in Foreign Exchange Rates.
- Ind AS 116, Leases:

Ind AS 116 removes the current distinction between operating and finance leases and requires recognition of an asset (the right to use the leased item) and a financial liability (the obligation to pay rentals). An optional exemption exists for short-term and low value leases. The standard may not have a significant impact on the Group’s financial statements considering the number of assets under operating lease arrangement as at 31 March 2021. On implementation of Ind AS 116, the operating lease charges will be replaced with interest and depreciation expenses. These changes will affect key ratios like profit margin, operating margin, EBITDA margin etc. Further, operating cash flows portion of the lease liability will be classified within financing activities.

The effect on adoption of Ind AS 116 would be insignificant in the consolidated financial statements.

Ind AS 12, Appendix C, Uncertainty over Income Tax Treatments:

On 30 March 2019, the Ministry of Corporate Affairs has notified Ind AS 12, Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount of the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax

The standard permits two possible methods of transition:

- Full retrospective approach – Under this approach Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight, and
- Retrospectively with cumulative effect of initially applying Appendix C recognised by adjusting equity on initial application, without adjusting comparatives

The Group is currently assessing the detailed financial impact of this standard on its consolidated financial statements.

Amendment to Ind AS 12, Income Taxes:

On 30 March 2019, the Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, Income Taxes, in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after 1 April 2019. The Group is currently evaluating the effect of this amendment on the consolidated financial statements

(iv) Current versus non-current classification

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

An asset is classified as current when it is:

- Expected to be realized or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash and 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 classified as 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

All other liabilities are classified as non-current.

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

(v) Rounding of amounts

All amounts disclosed in the Consolidated Financial Statements and notes have been rounded off to the nearest rupees as per the requirement of Schedule III, unless otherwise stated.

2.2 Properties, plant and equipment (PPE) Recognition and initial measurements

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its Working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognized in consolidated statement of profit or loss as incurred.

Depreciation method, estimated useful lives and residual values

The classification of Plant and equipment into continuous and non-continuous process is done as per technical certification and depreciation thereon is provided accordingly.

Depreciation on property, plant and equipment is provided on the straight-line method, computed on the basis of useful lives as estimated by management which coincides with rates prescribed in Schedule II of the Companies Act, 2013.

Cost of the leasehold land is amortized on a straight-line basis over the term of the lease.

The residual values, useful lives and method of depreciation of are reviewed at each financial year end and adjusted prospectively, if appropriate.

De-recognition

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-Recognition of the asset (calculated as the Difference between the net disposal proceeds and the carrying amount of the asset) is included in the other income/other expenses when the asset is derecognized.

2.3 Intangible Assets

Recognition and initial measurement

Intangible assets (including software) are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price.

Amortisation method and period

Computer software is amortised on a pro-rata basis using the straight-line method over its estimated useful life of 3 years from the date they are available for use. Amortisation method and useful lives are reviewed periodically including at each financial year end. Investment Properties

2.4 Impairment of non-financial assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group or assets (cash-generating units). The Company's corporate assets (eg. Central office building for providing support to various CGUs) do not generate independent cash flows. To determinate impairment of corporate assets, recoverable amount is determined for the CGUs to which the corporate assets belongs.

2.5 Inventories

- Stores & Spares are valued at cost or at net realizable value, whichever is lower. Cost is arrived at Weighted Average Basis.
- Raw Material, Semi-Finished Goods, Finished Goods are valued at Cost or Market Value whichever is lower. Cost is arrived at FIFO method.
- Obsolescence and Damaged materials are valued at Realizable Value.

2.6 Operating Leases

As a lessee

Leases of property, plant and equipment where the Company, as a lessee, has substantial risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The corresponding lease rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability of each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are clarified as operating leases. Payments made under operating leases are charges 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.

As a Lessor

Lease income from operating leases where the Company is a lessor is recognized 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 costs increases. The respective leased assets are included in the Balance Sheet based on their nature.

2.7 Investment and other financial assets

Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of

the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired.
- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in the profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in 'Other income'.
- **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the Consolidated Statement of Profit and Loss within 'Other income' in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Changes in the fair value of financial assets at fair value through profit or loss are recognised in 'Other income' in the Consolidated Statement of Profit and Loss.

(iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109, 'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(iv) De-recognition of financial assets

A financial asset is derecognised 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 entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised 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.

(v) Income recognition Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

(vi) Fair value of financial instruments

In determining the fair value of financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis and available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised.

2.8 Derivative instruments

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Derivative instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period, with changes included in 'Other income'/'Other expenses'

2.9 Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.10 Trade Receivables

Trade receivables are amounts due from customers for goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.11 Cash and Cash equivalents

For the purpose of presentation in the Cash Flow Statement, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.12 Trade payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.13 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2.14 Non-current assets (or disposal groups) held for sale

Non-current assets (or 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 and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the Balance Sheet.

2.15 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

2.16 Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

2.17 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.

Other borrowing costs are expensed in the period in which they are incurred.

2.18 Foreign currency transactions and translation

(i) Functional and presentation currency

Items included in the consolidated financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The Consolidated financial statements are presented in Indian Rupee (Rupees or H), which is the Company'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. At the year-end, monetary assets and liabilities denominated in foreign currencies are restated at the year-end exchange rates. The exchange differences arising from settlement of foreign currency transactions and from the year-end restatement are recognised in profit and loss.

Foreign exchange differences regarded as an adjustment to borrowing costs, if any, are presented in the Consolidated Statement of Profit and Loss, within 'Finance costs'. All other foreign exchange gains and losses are presented in the Consolidated Statement of Profit and Loss on a net basis within 'Other income'/'Other expenses'.

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.

2.19 Employee benefits

(i) Short-term employee benefits

Liabilities for short-term employee 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.

(ii) Post-employment benefits Defined benefit plans

The liability or asset recognised in the Balance Sheet in respect of defined benefit 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 benefits expense' in the Consolidated Statement of Profit and Loss.

Re-measurement 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. These are included in retained earnings in the Statement of Changes in Equity.

The Company has gratuity as defined benefit plan where the amount that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The liability recognised in the balance sheet for Defined Benefit Plans as the present value of the Defined Benefit Obligation (DBO) at the reporting date. Management estimates the DBO annually with the assistance of Independent actuaries. Actuarial gains and losses resulting from re-measurements of the liability are included in other comprehensive income.

During the Year the Company has not renewed the group gratuity scheme policy held with The Life Insurance Corporation of India (LIC). Therefore, gratuity valuation has been done through Independent agency as per Ind-AS19 (Employee Benefits). As per the valuation made by the Independent Agency the present value of accrued gratuity comes to Rs 2,229,479/- on estimates of discounts @ 6.68% and escalation on salaries @ 5% which has taken in Notes to accounts.

Defined contribution plans

Contributions under defined contribution plans payable in keeping with the related schemes are recognised as expenses for the period in which the employee has rendered the service.

(iii) Other long-term employee benefits

The liabilities for earned 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 annually by actuaries 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. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented under 'Employee benefit obligations' (current) 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.

2.20 Income Taxes

Tax expense recognized in consolidated statement of profit or loss comprises the sum of deferred tax and current tax except the ones recognized in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates and tax laws that have been enacted for the reporting period. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly inequity.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets are recognized to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilized against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. The carrying amount of deferred tax assets is reviewed at each reporting 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 tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year 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 reporting date. Deferred tax relating to items recognised outside profit or loss is recognized outside profit or loss (either in other comprehensive income or inequity).

Deferred income tax expense is calculated based on the differences between the carrying value of assets and liabilities for financial reporting purposes and their respective tax bases that are considered temporary in nature. Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned optimizing measures. Economic conditions may change and lead to a different conclusion regarding recoverability.

2.21 Provision and Contingencies

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

A disclosure for contingent liabilities is made 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 or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of the amount cannot be made.

2.22 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.23 Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.24 Segment Reporting

The Company is engaged in manufacture of Bulk Drugs & Intermediates which in the context of Accounting Standard – 17 issued by the Institute of Chartered Accountants of India is considered as a single segment– Ref. Note 31D.

2.25 Critical estimates and judgments

The preparation of Consolidated financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these Consolidated financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed at each Balance Sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the consolidated financial statements.

The areas involving critical estimates or judgements are:

- **Employee benefits (estimation of defined benefit obligation)**

Post-employment benefits represent obligations that will be settled in the future and require assumptions to project benefit obligations. Post-employment benefit accounting is intended to reflect the recognition of future benefit costs over the employee's approximate service period, based on the terms of the plans and the investment and funding decisions made. The accounting requires the Company to make assumptions regarding variables such as discount rate and salary growth rate. Changes in these key assumptions can have a significant impact on the defined benefit obligations.

- **Impairment of trade receivables**

The risk of uncollectibility of trade receivables is primarily estimated based on prior experience with, and the past due status of, doubtful debtors, based on factors that include ability to pay, bankruptcy and payment history. The assumptions and estimates applied for determining the provision for impairment are reviewed periodically.

- **Estimation of expected useful lives of property, plant and equipment**

Management reviews its estimate of the useful lives of property, plant and equipment at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of property, plant and equipment.

Note 3: Property, plant and equipment

Particulars	Land	Factory buildings	Plant and equipments (d)	Furniture and fixtures	Vehicles	Capital Work in Progress	Total
Gross carrying amount							
Cost/deemed cost as at 1st April 2017	84,181,540.00	16,978,278.00	137,742,636.00	27,475,057.00	13,572,142.00	2,319,990.00	282,269,643.00
Additions	-	3,283,977.00	5,759,878.00	896,502.00	-	-	9,940,357.00
Disposals / deductions	-	-	624,000.00	-	-	2,319,990.00	2,943,990.00
Transfer to assets classified as held for sale	-	-	-	-	-	-	-
As at 31st March 2018	84,181,540.00	20,262,255.00	142,878,514.00	28,371,559.00	13,572,142.00	-	289,266,010.00
Additions	-	-	8,907,690.00	1,507,609.00	-	-	10,415,299.00
Disposals / deductions	-	-	-	-	-	-	-
Transfer to assets classified as held for sale	-	-	-	-	-	-	-
As at 31st March 2019	84,181,540.00	20,262,254.47	151,786,203.78	29,879,169.07	13,572,142.00	-	299,681,309.32
Additions	-	-	2,740,000.00	205,344.00	-	-	2,945,344.00
Disposals / deductions	-	-	-	-	-	-	-
Transfer to assets classified as held for sale	-	-	-	-	-	-	-
As at 31st March 2020	84,181,540.00	20,262,254.47	154,526,203.78	30,084,513.07	13,572,142.00	-	302,626,653.32
Additions	-	-	559,000.00	189,732.95	39,017.38	-	787,750.33
Disposals / deductions	-	-	-	-	-	-	-
Transfer to assets classified as held for sale	-	-	-	-	-	-	-
As at 31st March 2021	84,181,540.00	20,262,254.47	155,085,203.78	30,274,246.02	13,611,159.38	-	303,414,403.65
Accumulated depreciation							
As at 1st April 2017	-	9,386,325.00	87,870,485.00	20,921,444.00	6,679,998.00	-	124,858,252.00
Charge for the year	-	549,740.00	5,508,986.00	1,804,988.00	1,354,735.00	-	9,218,449.00
Disposals / deductions	-	-	624,000.00	-	-	-	624,000.00
As at 31st March 2018	-	9,936,065.00	92,755,471.00	22,726,432.00	8,034,733.00	-	133,452,701.00
Charge for the year	-	601,427.00	5,957,115.00	1,950,759.00	1,338,115.00	-	9,847,416.00
Disposals / deductions	-	-	-	-	-	-	-
As at 31st March 2019	-	10,537,492.55	98,712,585.80	24,677,192.50	9,372,846.43	-	143,300,117.28
Charge for the year	-	601,426.99	6,218,195.34	1,906,490.68	1,323,597.72	-	10,049,710.73
Disposals / deductions	-	-	-	-	-	-	-
As at 31st March 2020	-	11,138,919.54	104,930,781.14	26,583,683.18	10,696,444.15	-	153,349,828.01
Charge for the year	-	601,426.99	5,979,336.72	1,182,424.67	1,044,188.96	-	8,807,377.34
Disposals / deductions	-	-	-	-	-	-	-
As at 31st March 2021	-	11,740,346.53	110,910,117.86	27,766,107.85	11,740,633.11	-	162,157,205.35
Net carrying amount							
As at 31st March 2020	84,181,540.00	9,123,334.93	49,595,422.64	3,500,829.89	2,875,697.85	-	149,276,825.31
As at 31st March 2021	84,181,540.00	8,521,907.94	44,175,085.92	2,508,138.17	1,870,526.27	-	141,257,198.30

Note 4: FINANCIAL ASSETS

Particulars	As at 31.03.2021	As at 31.03.2020
Unquoted		
a. Investment in Associates		
5500000 Equity Shares of Rs.10/- each fully paid up in Deccan Remedies Limited	70,000,000.00	70,000,000.00
b. Other Investments		
1000 Equity Shares of Rs.100/- each fully paid up in Progressive Effluent Treatment Limited	100,000.00	100,000.00
Profit/ (Loss) from Associate (Deccan Remedies Limited)	-1825124	-1825124
Total	68,274,876.00	68,274,876.00

Note 5: Other Non Current Assets

Particulars	As at 31.03.2021	As at 31.03.2020
Security Deposit	2,796,887.00	2,203,697.00
Total	2,796,887.00	2,203,697.00

Note 6: Inventories (As valued and certified by Management)

Valued at lower of Cost and net realisable value

Particulars	As at 31.03.2021	As at 31.03.2020
Stores & Spares	888,692.00	1,712,425.00
Packing Material	1,118,549.00	802,930.00
Coal & Diesel	181,500.00	456,646.00
Raw Materials	12,760,100.00	20,865,655.00
Finished Goods	10,662,025.00	31,509,540.00
Work-in-process	24,573,996.00	19,025,930.00
Total	50,184,862.00	74,373,126.00

Note 7: Trade Receivables

Particulars	As at 31.03.2021	As at 31.03.2020
Trade Receivables	89,464,597.26	62,795,865.26
Receivables from Related Parties		-
Less: Loss Allowance		-
Total Receivables	89,464,597.26	62,795,865.26
Current Portion	76,573,729.30	54,906,077.76
Non-current Portion	12,890,867.96	7,889,787.50
Break-up of security details		
Trade Receivables considered good - secured		-
Trade Receivables considered good - unsecured	89,464,597.26	62,795,865.26
Trade Receivables - which have significant increase in credit risk		-
Trade Receivables - credit impaired		-
Total	89,464,597.26	62,795,865.26
Less: Loss Allowance		
Total Trade Receivables	89,464,597.26	62,795,865.26

a. Trade receivables are non-interest bearing and are generally on terms of up to 90 days.

Note 8: Cash and Cash Equivalents

Particulars	As at 31.03.2021	As at 31.03.2020
(a) Cash on hand	1,861,280.00	1,937,409.00
(b) Balances with Banks		
(i) In Current Accounts	84,038.53	29,259.18
(ii) In Deposit Accounts - (Margin Money against LCS/BG)	8,746,159.00	6,417,768.00
(iii) Cheques in hand	-	741,701.00
Total	10,691,477.53	9,126,137.18

Note 9: OTHER FINANCIAL ASSETS - SHORT TERM LOANS & ADVANCES

Particulars	As at 31.03.2021	As at 31.03.2020
(a) Loans and advances to related parties	-	-
Unsecured, considered good		
(b) Loans and advances to employees	30,022,676.00	27,132,628.00
Unsecured, considered good		
(c) Advances to Contractors, Suppliers	4,780,712.72	4,089,041.58
Unsecured, considered good		
(d) Advances recoverable cash or in kind	179,876,785.48	151,519,872.48
Total	214,680,174.20	182,741,542.06

Note 10: OTHER CURRENT ASSETS

Particulars	As at 31.03.2021	As at 31.03.2020
(a) Prepaid Expenses	1,340,892.00	813,016.00
Unsecured, considered good		
(b) Balances with Government Authorities		
Unsecured, considered good		
(i) GST credit receivable	4,900,823.04	8,366,492.03
(ii) Balances with Central Excise Deptt	24,833.00	24,833.00
(iii) VAT credit receivable	-	9,727,780.00
(iv) Meis claim receivable	4,720,483.09	1,403,713.09
(c) Accrued Interest	681,843.00	309,255.00
Total	11,668,874.13	20,645,089.12

Note 11: SHARE CAPITAL

Particulars	As at 31.03.2021	As at 31.03.2020
AUTHORISED CAPITAL		
Equity Shares		
160,000,000 Equity Shares of Rs.1/- each (Previous Year 160,000,000 Equity Shares of Rs.1/- each)	160,000,000.00	160,000,000.00
11.1 ISSUED SHARES		
Equity Shares		
126,503,000 Equity Shares of Rs. 1/- each (Previous Year 126,503,000 Equity Shares of Rs. 1/- each)	126,503,000.00	126,503,000.00
Total	126,503,000.00	126,503,000.00
11.2 SUBSCRIBED And PAID UP Shares		
Equity Shares		
126,503,000 Equity Shares of Rs. 1/- each (Previous Year 126,503,000 Equity Shares of Rs. 1/- each)	126,503,000.00	126,503,000.00
Forfeited Shares (amount originally paid up)	-	-
Total subscribed and paid up share capital	126,503,000.00	126,503,000.00
11.2.1 (a) The reconciliation of the no of shares outstanding at the beginning and at the end of the year:		
At the beginning of the year	126,503,000	126,503,000
Outstanding at the end of the year	126,503,000	126,503,000
(b) Terms/rights attached to equity shares		
<p>The Company has only one class of equity shares having a part value of Re.1 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed if any by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.</p>		
11.2.2 The details of share holders holding more than 5% shares:		
Premier Fiscal Services (P) Ltd	25,000,000	*25,000,000
	19.76%	19.76%

Note 12: OTHER EQUITY

Share Premium	60,000,000.00	60,000,000.00
Investment Subsidy	2,000,000.00	2,000,000.00
General Reserve	7,222,892.00	7,222,892.00
Capital Reserve (Forfeit of warrant)	7,250,000.00	7,250,000.00
Retained Profit on Property, plant and equipment (net of deferred tax)	(1,407,366.80)	(1,407,366.80)
Balance in Profit & Loss		
Balance at the beginning of the year	156,972,117.19	138,408,778.09
Add: Profit for the year	40,381,508.84	18,563,339.10
Balance at the Closing of the year	197,353,626.03	156,972,117.19
Profit / (Loss) from Associate (Deccan Remedies Limited)	(1,825,124.00)	(1,825,124.00)
TOTAL	270,594,027.23	230,212,518.39

Note 13: OTHER FINANCIAL LIABILITIES

Particulars	As at 31.03.2021	As at 31.03.2020
Unsecured Sales Tax Deferrment (Govt.)	-	154,902.00
Total	-	154,902.00

13.1 Sales Tax deferment availed till the current account period is due for repayment after 12 months from Balance Sheet as under:

Year of Repayment	Rs.	
2021-22	154,902	154,902
Total	154,902	154,902

Note 14: Deferred Tax (Liability)/Assets

Particulars	As at 31.03.2021	As at 31.03.2020
a) Difference between Book & Tax Depreciation (Liability)	5,791,712	7,498,489
b) Others	(4,262,065)	(3,509,111)
Total	1,529,647	3,989,378
Net Deferred Tax Liability/(Assets)	1,529,647	3,989,378

Note 15: CURRENT BORROWINGS

Particulars	As at 31.03.2021	As at 31.03.2020
a) Secured		
From Banks - Secured		
AXIS Bank LTD - IUBD A/C	-	1,030,140.00
Axis Bank C/C	20,657,547.79	48,812,759.46
(The due to Axis Bank Limited - Secured by means of Hypothecation of Stocks of Raw Material, Semi Finished & Finished Goods, Stores & Spare parts and Book-debts and First Charge on the Fixed Assets of the Company and personal guarantee of One Director)		
AXIS Bank - COVID Loan A/C.	9,070,705.00	-
AXIS Bank PCFE A/C NO 920080057980853	43,890,932.41	-
Axis Bank- Term Loan - (Secured against exclusive first charge on Fixed Assets of the Company)	-	296.00
Total	73,619,185.20	49,843,195.46

Note 16: Trade Payables

Particulars	As at 31.03.2021	As at 31.03.2020
Trade Payable	59,446,990.95	81,320,389.32
Total	59,446,990.95	81,320,389.32

Note 16.1: Dues to Micro, Small and Medium enterprises has been determined to the extent such parties have been identified on the basis of information available with the company.

Note 16.2: Trade Trade payables are non-interest bearing and normally settled within 90 days term.

Note 17: Other Current Liabilities

Particulars	As at 31.03.2021	As at 31.03.2020
Creditors for Capital Goods	-	1,846,630.00
Advances from Customers	3,728,564.51	18,377,857.41
Other Liabilities	29,171,980.39	32,632,874.35
Sales Tax Deferment (Govt.)	154,902.00	394,431.00
Total	33,055,446.90	53,251,792.76

Note 17.1: Other liabilities consist of PF, ESI, SERVICE TAX, TDS, GST and TCS payable etc

Note 18: PROVISIONS

Particulars	As at 31.03.2021	As at 31.03.2020
Provision for leave encashment	5,562,227.00	2,813,825.00
Total	5,562,227.00	2,813,825.00

Note 19: CURRENT TAX LIABILITIES

Particulars	As at 31.03.2021	As at 31.03.2020
Current Tax Liabilities (Net)	18,708,422.14	21,348,157.00
Total	18,708,422.14	21,348,157.00

Note 20: REVENUE FROM OPERATION

Particulars	As at 31.03.2021	As at 31.03.2020
Sale of Products	636,272,839.14	599,283,525.09
Other Operating Revenues	228,451.00	294,353.90
	636,501,290.14	599,577,878.99
Less: Gst	40,011,317.00	43,404,822.24
Net Revenue from Operation	596,489,973.14	556,173,056.75

Note 21: OTHER INCOME

Particulars	As at 31.03.2021	As at 31.03.2020
Interest Income(TDS Rs. 43186/- Previous Year Rs. 39208/-)	538,160.00	793,043.00
INSURANCE CLAIM RECEIVED	-	33,544.00
SUNDRRY BALANCES WRITTEN OFF/BACK	730.54	-
MEIS BENEFIT	3,923,411.00	6,141,323.00
Exchange Rate Fluctuation	-	2,035,036.23
Duty Draw back	782,079.00	511,024.00
Total	5,244,380.54	9,513,970.23

Note 22: COST OF RAW MATERIAL CONSUMED

Particulars	As at 31.03.2021	As at 31.03.2020
Opening Stock of Raw material	20,865,655.00	15,271,112.00
Add: Purchases during the year	333,793,709.38	356,905,814.32
Total	354,659,364.38	372,176,926.32
Less: Closing Stock of Raw material	12,760,100.00	20,865,655.00
Cost of Raw Material Consumed	341,899,264.38	351,311,271.32

Note 23: Change in Inventoris of Finished Goods, Stock-In Trade & Work-In Progress

Particulars	As at 31.03.2021	As at 31.03.2020
Opening Stocks		
Work in Progress	19,025,930.00	17,459,872.00
Finished Goods	31,509,540.00	17,964,943.00
Total	50,535,470.00	35,424,815.00
Closing Stocks		
Work in Progress	24,573,996.00	19,025,930.00
Finished Goods	10,662,025.00	31,509,540.00
Total	35,236,021.00	50,535,470.00
Changes in Stock	15,299,449.00	(15,110,655.00)

Note 24: EMPLOYEE BENEFITS EXPENSE

Particulars	As at 31.03.2021	As at 31.03.2020
Salaries, Wages and bonus	61,022,354.00	59,708,620.00
Contributions to Provident and other funds	5,053,343.00	3,463,287.00
Gratuity	2,229,479.00	1,724,382.00
Staff Welfare expenses	3,774,205.95	3,222,644.56
Total	72,079,381.95	68,118,933.56

Note 25: FINANCE COST

Particulars	As at 31.03.2021	As at 31.03.2020
Interest and Finance Charges	7,435,090.65	7,535,758.93
Total	7,435,090.65	7,535,758.93

Note 26: OTHER EXPENSES

Particulars	As at 31.03.2021	As at 31.03.2020
Pollution control expenses	9,778,905.48	12,703,292.90
Consultancy & Legal Expenses	1,218,801.50	2,421,080.00
Rent & Facilities	2,282,476.00	3,263,073.00
Electricity Charges	624,303.77	761,561.16
Security Charges	1,190,869.00	1,110,325.00
Printing & Stationery	463,558.05	896,842.18
Communication Expenses	784,000.33	1,060,024.50
Insurance	838,413.00	932,941.88
Travelling & Conveyance Exp.	2,904,905.00	5,628,851.00
Selling Expenses	8,329,174.00	4,942,286.00
Carriage Outwards	15,691,711.52	11,253,420.11
Auditors' Remuneration:		
i. Audit Fees	200,000.00	200,000.00
ii. Tax Audit Fees	35,000.00	35,650.00
iii. Certification & Others	238,000.00	173,000.00
Vehicle Maintenance	216,870.00	821,263.00
Sales Tax	-	687,285.00
Exchange Rate Fluctuation	487,580.21	-
Miscellaneous Expenses	5,623,605.50	5,426,854.04
Sundry Balances Written Off (Net)	-	162,192.31
Stores, Spares & Others	7,319,678.24	6,624,292.69
Packing Material	9,864,566.00	10,734,453.50
Power & Fuels	29,475,143.80	32,213,375.80
Repairs & Maintenance – Buildings	524,420.96	302,150.96
Repairs & Maintenance - Plant & Machinery	1,039,327.16	1,907,571.20
Repairs & Maintenance - Others	314,911.00	412,269.00
Job Work Charges	2,432,523.00	14,708,090.00
Total	101,878,743.52	119,382,145.23

Note 27: EXCEPTIONAL ITEMS

Particulars	As at 31.03.2021	As at 31.03.2020
Sundry balances adjusted	3,713,269.00	1,086,180.89

Note 28: EARNING PER SHARE

Particulars	As at 31.03.2021	As at 31.03.2020
Net Profit the basic EPS	40,381,508.84	18,563,339.10
Weighted Average No.of Shares	126,503,000	126,503,000
Annualized Basic Earning per share (Basic and Diluted)	0.319	0.147

Note 29: Contingent Liability

S.No	Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
i)	Income-tax where appeals/Petitions are pending with Various Authorities	*59.14	*49.39
ii)	Sales Tax where Appeal is pending	*111.04	*111.04
	*Company is hopeful of complete relief,hence no provision is made.		

#	Nature of Statute	Nature of Dues	Amount RS in Lacs	Period to which the amount relates to	Forum where the dispute is pending
1	CST	Sales Tax	96.47	2001-02	CTO Commissioner (ST)
2	CST	Sales Tax	14.57	2007-08	Appellate DC (CT)
	Total		111.04		
				Asstt Year	
3	Income Tax	Income Tax	8.22	2001-02	Appellate Authority
		Income Tax	37.36	2002-03	Appellate Authority
		Income Tax	3.81	2015-16	Appellate Authority
		Income Tax	9.75	2019-20	Appellate Authority
	Total		59.14		

Based on the experiences,the management is of the opinion that the above cases would be in favour of the company. However in case of loss then there could be significant impact on the financial statement of the company.

Note 30:

S.No	Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
A.	C.I.F. value of imports by the Company (Excluding imported items purchased locally)		
	Raw Materials	24,229,692	74,466,029
	Fixed Assets	-	-
B.	Expenditure in foreign currency during the year:		
	a) Foreign Travel Expenses	-	1,032,608
	b) Sales Commission	3,994,772	3,012,037
	c) Bank Charges	352,851	330,612
	d) Business Promotion Charges	112,073	48,547

C Details of consumption of imported and indigenous items

S.No	Particulars	As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020
		RS	%		%
	Imported Raw Material	30746572	9%	71143526	20%
	Indigenous Raw material	311152692	91%	280,167,745	80%
	Stores, Spares Parts & Components	7319678	100%	6,624,293	100%
	Total	349,218,942		357,935,564	

D. Segment Details

The Company is engaged in manufacture of Bulk Drugs & Intermediates which in the context of Accounting Standard- 17 issued by the Institute of Chartered Accountants of India is considered as a single segment.

The geographic segments individually contributing 10 percent or more of the Company's revenues and segment assets are shown separately:

#	Geographic Segment	Revenues For the year ended 31.03.2021	Segment assets As at 31.03.2021	Revenues For the year ended 31.03.2020	Segment assets As at 31.03.2020
1	ALGERIA	2.46	-	-	-
2	ARGENTINA	3.69	-	3.5	-
3	BANGALDESH	47.28	-	43.9	4.06
4	BOLIVIA	4.96	-	7.21	-
5	COLOMBIA	169.76	7.02	18.2	-
6	ECUADOR	50.88	-	-	-
7	EGYPT	684.79	92.47	595.01	-
8	EL SALVADOR	70.49	-	62.44	-
9	GERMANY	97.70	-	137.81	-
10	GUATEMALA	102.66	-	105.68	-
11	IRAN	156.41	22.20	524.24	22.20
12	ISRAEL	1.37	-	-	-
13	JORDAN	15.67	-	-	-
14	MEXICO	268.55	-	2.52	-
15	NICARAGUA	4.41	-	-	-
16	NEPAL	-	-	4.64	-
17	PANAMA CITY	3.81	-	-	-
18	PERU	246.33	37.82	205.16	21.33
19	RUSSIA	-	-	10.26	-
20	ROTTERDAM	-	-	1.96	-
21	SAUDI ARABIA	15.68	-	14.37	-
22	SINGAPORE	-	-	31.83	-
23	SPAIN	2.00	-	176.44	4.53
24	SWITZERLAND	-	-	97.05	-
25	U A E	-	-	27.53	-
26	U S A	-	-	1.28	-
27	VIETNAM	458.52	-	228.48	-
28	YEMAN	10.22	-	-	-
29	PAKISTAN	-	-	1.29	-
30	INDIA	3547.26	735.14	3260.91	575.84
	TOTAL	5964.90	894.65	5561.71	627.96

Particulars	As at 31.03.2021	As at 31.03.2020
E. Earning in Foreign Currency on F.O.B. basis		
Export of Goods	229,334,868	219,851,146

Note 31: RELATED PARTIES DISCLOSURES

Name of related parties and related party relationship

Related parties with whom transactions have taken place during the year

Enterprise having significant influence on the Company

Key Management Personnel/Directors

Mr Arihant Baid (Managing Director)

Mr T M Gopalakrishnan (Whole Time Director)

Mr Y Ravinder Reddy (Independent Director)

Ms. Sadhana Bhansali (Independent/Woman Director)

Mr A.S.Nageswar Rao (Independent Director - Appointed on 21-12-2020)

Mr A.R.R. Pantulu (Independent Director - Appointed on 21-12-2020)

Mr L.P.Baid (Chief Financial Officer)

Mr Rajesh Vankodara (Company Secretary - Appointed on 15.02.2020)

Relative of Key Management Personnel/Directors

Mr Vinod Baid

Enterpriss owned or significantly influenced by Key

Management Personnel/Directors or their relatives

(Deccan Remedies Limited)

Relative of Key Management Personnel/Directors

Mr T M Gopalakrishnan (Director)

Note 31.1: Remuneration of Key Personnel/Directors

S.No	Name & Relationship	Nature of Transaction	Year ended	Amount (Rs.)
1	Mr. Arihant Baid	Remuneration	31.03.2021	3,028,800
	Managing Director	Remuneration	31.03.2020	3,028,800
2	Mr T.M. Gopalakrishnan	Remuneration	31.03.2021	2,538,194
	Whole-Time Director	Remuneration	31.03.2020	3,643,433
3	Mr L.P.Baid	Remuneration	31.03.2021	1,580,750
	Chief Financial Officer	Remuneration	31.03.2020	1,493,100
4	Mr Vankadara Rajesh	Remuneration	31.03.2021	839,403
	Company Secretary	Remuneration	31.03.2020	110,717

Note 32: Employees Benefits:

Note 32.1: Company has not renewed the Group Gratuity Scheme policy with LIC.

Therefore, gratuity valuation has been done through Independent agency as per IndAS19. As per the valuation made by the Independent Agency the present value of accrued gratuity comes to Rs 2,229,479/- on estimates of discounts @

6.68% and escalation on salaries @ 5% which has taken in accounts.

Note 32.2: Defined Contribution Plan:

Contribution to defined contribution plan, recognized as expenses for the year are as under:

Employer's Contribution to Provident/Pension Fund - Rs. 1972615/-

The Company contributes applicable rates of salary of all eligible employees towards Provident Fund managed by the Central Government.

Leave Encashment: -

The Company has provided a sum of Rs. 2926121/- towards Leave encashment based on actuarial valuation.

Note 33: Balance in Advances, Deposits, Unsecured loans, other Liabilities, Trade Receivables, Trade Payables and advances against suppliers are subject to confirmation and reconciliation by respective parties.

Note 34: Fixed Assets includes land for which Registration formalities are yet to be completed.

Note 35: The Company's Lease Agreement in respect of Building at Srinagar Colony. The Lease Rentals payable are charged as "Lease Rental Charges" under "Other Expenses" in Note No - 25. This leasing arrangement is for longer period and renewable by mutual consent on mutually agreeable terms. Future lease rental payable are as under:

(Rupees in Lakhs)

Particulars	as at March 31, 2021*	as at March 31, 2020
Payable:		
Not later than one year	1.64	3.27
Later than one year but not later than 3 years.	42.52	0.00
Later than 3 years.	0.00	0.00

* The above figures are given without discounting at present value

Note 36: Investment includes Rs.70,000,000 in Shares of Deccan Remedies Limited for the Company's expansion plans.

Note 37: There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

Note 38: In accordance with the Accounting Standards (AS-28) on "Impairment of Assets" the management during the year carried out exercise of identifying the assets that may have been impaired in respect of each cash generating unit. On the basis of this review carried out by the management there was no impairment loss on the fixed assets during the year ended 31st March, 2021.

Note 39: Investment Subsidy received from Andhra Pradesh Government is shown under Other Equity.

As Per our report attached

For PPKG & CO

Chartered Accountants
Firm Registration No: 009655S

GIRIDHARI LAL TOSHNIWAL

Partner
M.No. 205140
UDIN: 21205140AAAAIX8712

Place : Hyderabad
Date : 30th June, 2021

**For and on behalf of the Board
Gennex Laboratories Limited**

T M Goplakrishnan
Whole-time Director

Rajesh Vankadara
Company Secretary

Arihant Baid
Managing Director

Laxmipat Baid
CFO

Note 40: Income tax

Rs. in Lakhs

Particulars	March 31, 2021	March 31, 2020
Tax expense/(credit) comprises of:		
Current income tax	127.00	75.00
Deferred tax	-24.60	-16.12
Income tax expense reported in the statement of profit or loss	102.40	58.88
The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 25.17% (March 31, 2020: 25.17%) and the reported tax expense in profit or loss are as follows:		
Reconciliation of tax expense and the accounting profit multiplied by India's tax rate		
Profit before tax	506.22	254.86
Tax at the Indian tax rate (25.17%) (March 31, 2020: 27.82%)	127.41	70.90
Adjustments:		
CSR expenses and other donations	—	—
Weighted deduction on research and development expense	—	—
Tax incentives	—	—
Capital gain tax	—	—
MAT credit utilisation	—	—
Deferred tax assets not recognized / (utilized)	24.60	16.12
Effect of change in tax laws and rate in jurisdictions outside India	—	—
Other Adjustments	0.41	-4.10
Income tax expense	102.40	58.88

Note 41: Capital management

Rs. in Lakhs

The Company's policy is to maintain strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of business.

The Company manages its Capital structure through a balanced mix of debt and equity.

The Company's capital structure is influenced by the changes in the regulatory frameworks, government policies, available options of financing and impact of the same on liquidity position.

The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The table below shows the Gearing ratio for FY 2020-21 and FY 2019-20.

Particulars	March 31, 2021	March 31, 2020
Borrowings	736.19	498.43
Trade Payables	594.47	813.20
Less: Cash & Cash Equivalents	106.91	91.26
Net Debt	1,223.75	1,220.37
Equity Capital	3,989.22	3,585.41
Equity Capital and Net Debt	5,212.97	4,805.78
Gearing Ratio	23%	25%

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021 and March 31, 2020.

Note 42: Fair Values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Rs in Lakhs

Particulars	Carrying	Values	Fair	Values
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Financial Assets				
Investments	682.75	682.75	682.75	682.75
Other financial assets	27.97	22.04	27.97	22.04
Tax Assets (Net)	-	-	-	-
Trade Receivables	894.65	627.96	894.65	627.96
Cash and Cash Equivalents	18.61	19.37	18.61	19.37
Bank balances other than cash and cash equivalents	88.30	71.89	88.30	71.89
Other financial assets	2146.80	1827.42	2146.80	1827.42
Total	3,859.08	3,251.43	3,859.08	3,251.43
Financial Liabilities				
Non-current Borrowings	-	-	-	-
Other non-current financial Liabilities	-	1.55	-	1.55
Current Borrowings	736.19	498.43	736.19	498.43
Trade Payables	594.47	813.20	594.47	813.20
Other current financial Liabilities	330.45	532.52	330.45	532.52
Total	1,661.11	1,845.70	1,661.11	1,845.70

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

Note 43: Fair values hierarchy

Financial assets and liabilities measured at fairvalue in the statement of financial position are grouped into three levels of fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for the financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using the valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

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

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities: Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2021:

Rs in Lakhs

Particulars	Date of valuation	Total	Quoted prices	Significant	Significant
			in active markets	Obser- vable	Unobser- vable
			(Level 1)	(Level 2)	(Level 3)
Fair value of financial assets disclosed:					
Investments	31-Mar-2021	682.75	-	682.75	-
Other financial assets	31-Mar-2021	27.97	-	27.97	-
Tax Assets (Net)	31-Mar-2021	-	-	-	-
Trade Receivables	31-Mar-2021	894.65	-	894.65	-
Cash and Cash Equivalents	31-Mar-2021	18.61	-	18.61	-
Bank balances other than cash and cash equivalents	31-Mar-2021	88.30	-	88.30	-
Other financial assets	31-Mar-2021	2146.80	-	2146.80	-
Total		3,859.08	-	3,859.08	-

There have been no transfers between Level 1 and Level 2 during the period.

Quantitative disclosures fair value measurement hierarchy for liabilities as at March 31, 2021:

Fair value of financial liabilities disclosed

Non-current Borrowings	31-Mar-2021	-	-	-	-
Other non-current financial Liabilities	31-Mar-2021	-	-	-	-
Current Borrowings	31-Mar-2021	736.19	-	736.19	-
Trade Payables	31-Mar-2021	594.47	-	594.47	-
Other current financial Liabilities	31-Mar-2021	330.45	-	330.45	-
Total		1,661.11	-	1,661.11	-

There have been no transfers between Level 1 and Level 2 during the period.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities: Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2020:

Rs in Lakhs

Particulars	Date of valuation	Total	Quoted prices	Significant	Significant
			in active markets	Obser- vable	Unobser- vable
			(Level 1)	(Level 2)	(Level 3)
Fair value of financial assets disclosed					
Investments	31-Mar-2020	682.75	-	682.75	-
Other financial assets	31-Mar-2020	22.04	-	22.04	-
Tax Assets (Net)	31-Mar-2020	-	-	-	-
Trade Receivables	31-Mar-2020	627.96	-	627.96	-
Cash and Cash Equivalents	31-Mar-2020	19.37	-	19.37	-
Bank balances other than cash and cash equivalents	31-Mar-2020	71.89	-	71.89	-
Other financial assets	31-Mar-2020	1827.42	-	1827.42	-
Total		3,251.43	-	3,251.43	-

There have been no transfers between Level 1 and Level 2 during the period.

Quantitative disclosures fair value measurement hierarchy for liabilities as at March 31, 2019:

Fair value of financial liabilities disclosed

Non-current Borrowings	31-Mar-2020	0.00	-	0.00	-
Other non-current financial Liabilities	31-Mar-2020	1.55	-	1.55	-
Current Borrowings	31-Mar-2020	498.43	-	498.43	-
Trade Payables	31-Mar-2020	813.20	-	813.20	-
Other current financial Liabilities	31-Mar-2020	532.52	-	532.52	-
Total		1,845.70	-	1,845.70	-

There have been no transfers between Level 1 and Level 2 during the period.

Note 44: Financial risk management objectives and policies

The Company is exposed to financial risk such as Market Risk (Interest Rate Risk, fluctuation in foreign exchange rates and price risk), credit risk and liquidity risk. The general risk management program of the Company focuses on the unpredictability of the financial markets and attempts to minimize their potential negative influence on the financial performance of the Company. The Company continuously reviews its risk exposures and takes measures to limit it to acceptable levels. The Board of Directors have the overall responsibility for the establishment and oversight of the Company's risk management framework.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk i.e. interest rate risk, foreign currency risk and other price risk. Financial instruments of the Company affected by market risk include borrowings and deposits.

The sensitivity analysis in the following sections relate to the position as at March 31, 2021 and March 31, 2020

The analysis exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities.

The following assumptions have been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2021 and March 31, 2020.

Interest Rate Risk

The interest rate risk arise from long term borrowing of the company with variable interest rates (Bank one year MCLR plus spread). Although the spread is fixed, it is subject to change at fixed time interval or occurrence of specified event(s). Management monitors the movement in interest rate and, wherever possible, reacts to material movements in such rates by restructuring its financing arrangement.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Increase/(decrease) in Interest Rate	Increase/(decrease) in Profit before tax
March 31, 2021		
INR	0.5% p.a.	-1.94
INR	(0.5)% p.a.	1.94
March 31, 2020		
INR	0.5% p.a.	-1.94
INR	(0.5)% p.a.	1.94

Price risk

Price risk is the risk of fluctuations in the change in prices of equity Investments. The Company's investment in JV company is of strategic in nature rather than for trading purpose.

Credit risk

Credit risk is the risk arising from credit exposure to customers and the counterparty will default on its contractual obligations.

The Company has adopted a policy of only dealing with creditworthy customers/ corporates to minimise collection losses. Credit Control team assesses the credit quality of the customers, their financial position, past experience in payments and other relevant factors. Advance payments are obtained from customers in banquets, as a means of mitigating the risk of financial loss from defaults.

The carrying amount of trade and other receivables, advances to suppliers, cash and short- term deposits and interest receivable on deposits represents company's maximum exposure to the credit risk. No other financial asset carry a significant exposure with respect to the credit risk. Deposits and cash balances are placed with Schedule Commercial banks.

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 assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company also holds advances as security from customers to mitigate credit risk.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments held by the Company are in the nature of investment in jointly controlled entity and also an investment in an alternate energy supply company as required under the respective State energy policy. Both the categories are unquoted non-trade equity.

Liquidity risk

Liquidity risk is the risk that the Company will have difficulty in raising the financial resources required to fulfil its commitments.

Liquidity risk is held at low levels through effective cash flow management. Cash flow forecasting is performed internally by rolling forecasts of the Company's liquidity requirements to ensure that it has sufficient cash to meet operational requirements, to fund scheduled capex and debt repayments and to comply with the terms of financing documents.

The Company primarily uses short-term bank facilities in the nature of bank overdraft facility to fund its ongoing working capital requirements.

GENNEX LABORATORIES LIMITED

Regd. Office: Sy. No. 133, IDA Bollaram Jinnaram Mandal, Sangareddy Dist. - 502 325. Telangana
Corporate Office: "Akash Ganga", 3rd Floor, Plot # 144, Srinagar Colony, Hyderabad - 500 073. Telangana

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies vide its circular no. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 after considering certain provisions of the Information Technology Act, 2000, permitted the companies to send the notices / annual reports etc. through email to its members. To support this green initiative of the MCA whole heartedly, members who have not yet registered their email address, are requested to register their e-mail address with the Depository through their concerned Depository Participant and members who hold shares in physical mode are requested to intimate their e-mail address at which they would like to receive the above documents electronically, either to the company or to its Registrar and Share Transfer Agent. Shareholders are requested to fill the consent form below and send it to the Registrar and Share Transfer Agent, R&D Infotech Pvt. Ltd or to the company

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CONSENT FOR RECEIVING DOCUMENTS IN ELECTRONIC MODE

(Pursuant to circulars no. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011)

To,
R&D Infotech Pvt. Ltd.
1st Floor, 7A, Beltala Road,
Naresh Mitra Sarani,
Kolkata – 700 026

Dear Sir,

I/We shareholder(s) of GENNEX LABORATORIES LIMITED, agree to receive all notices and documents including the Annual Report, Notice for General Meetings and other Shareholders Communication in electronic mode (through email). I/We request you to kindly register my / our below mentioned email id in the Company's records for sending such communication through email.

Folio No..... DPID No..... Client ID.....

*Applicable for members holding shares in Electronic Form.

Name of the Sole/First Shareholder :.....

Name of the Joint Shareholders (If any) :.....

No. of Shares held :.....

E-mail ID of receipt of documents in :.....

Electronic Mode :.....

Date:

Place:

Signature:_____

(Sole / First Shareholder)

Note:

1. Shareholders are requested to inform the Company's Registrar and Share Transfer Agent R&D Infotech Pvt. Ltd, as and when there is change in their registered email-id.
2. for shares held in demat form, shareholders are also requested to inform /update their email-ids to their respective Depository Participants.

GENNEX LABORATORIES LIMITED

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Corporate Office: "Akash Ganga", 3rd Floor, Plot # 144, Srinagar Colony, Hyderabad - 500 073. Telangana

Registration of e-mail address for future communication

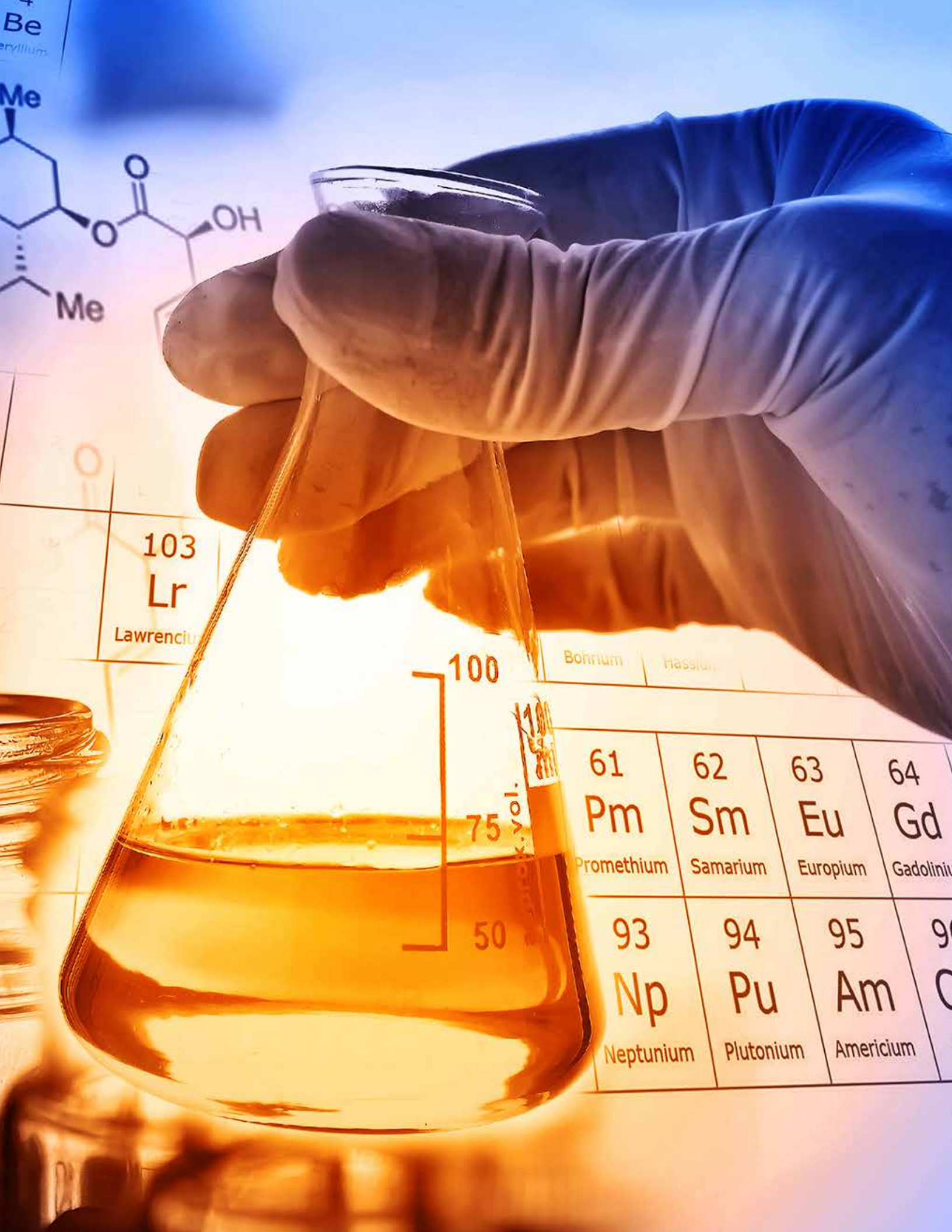
Name of the Shareholder.....

Folio No..... DP. ID No. Client ID.

Registered Address:.....

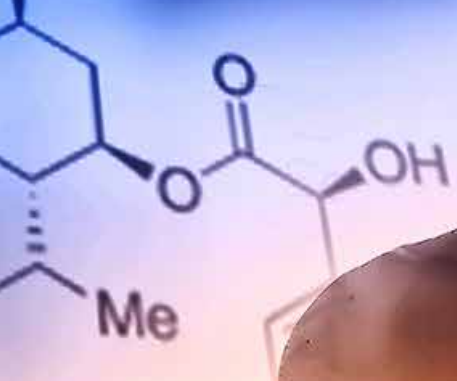
Signature: _____

Email Id:.....



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103
Lr
Lawrencium

Bohrium

Hassium

61
Pm
Promethium

62
Sm
Samarium

63
Eu
Europium

64
Gd
Gadolinium

93
Np
Neptunium

94
Pu
Plutonium

95
Am
Americium

96
Cm
Curium



GENNEX LABORATORIES LIMITED

CIN: L24230TG1990PLC011168

Regd. Off. Add: Survey No.133, IDA Bollaram, Jinnaram Mandal, Sangareddy District – 502 325, Telangana State, India.
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