■ TEL. : 022 - 6825 2525
■ FAX : 022 - 2405 7708
■ E-Mail : info@naxparlab.com
■ Visit us at : www.naxparlab.com
■ CIN No. : L36912MH1982PLC027925

Parnax Lab Ltd.

(Formerly Known as Krishna Deep Trade & Investment Ltd.)
114, BLDG. NO. 8, JOGANI IND. COMPLEX,
SION-CHUNABHATTI, MUMBAI - 400 022. INDIA

Date: 06th September, 2022

To,
The Department of Corporate Service
BSE Limited
Department of Corporate Service
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400 001

Ref: Parnax Lab Limited

Script Code: 506128

Subject: Annual Report for the Financial Year 2021-22

Dear Sir / Madam,

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, Please find enclosed the 40th Annual Report of the Company for the Financial Year 2021-22 which is also being sent through electronic mode to those Shareholders of the Company whose email addresses are registered with the Company/ Depositories/Registrar and Transfer Agent.

Annual Report for the financial year 2021-22 is also available on the website of the Company i.e. www.naxparlab.com.

Kindly take the above information for your record.

Thanking You.

Yours Faithfully,
FOR PARNAX LAB LIMITED

PREET KUKREJA
COMPANY SECRETARY AND COMPLIANCE OFFICER

Parnax Lab Limited

40th

Annual Report

2021 - 2022

Parnax Lab Limited

Board of Directors:

Mr. Prakash M Shah (DIN 00440980)	:	Director & CEO
Mr. Baiju M Shah (DIN 00440806)	:	Managing Director & CFO
Mr. Vinayak B Desai (DIN 03185850)	:	Independent and Non-Executive Director
Mr. Tirunillai V Anantharaman (DIN 07147028)	:	Independent and Non-Executive Director
Mrs. Ami M Shah (DIN 03101049)	:	Women Director
Mr. Yogesh Varia (DIN 09186184)	:	Independent and Non-Executive Director (W.e.f., May 28, 2021)

Company Secretary and Compliance Officer
Ms. Preet Kukreja
(W.e.f. June 21, 2021)

Internal Auditor
M/s. P S D & Associates
Chartered Accountants
FRN - 00451C

Statutory Auditors:
M/s. C.N.Patel & Co.
Chartered Accountants
FRN - 112552W

Secretarial Auditor
M/s HSPN & Associates LLP

Bankers:
State Bank of India
Apna Sahakari Bank Limited

Registered Office
Gala 114, Building no. 8,
Jogani Industrial Complex,
Chunabhatti, Mumbai - 400022
Tel.: 022-68252525 | www.naxparlab.com
CIN: L36912MH1982PLC027925

Registrar and Share Transfer Agent
M/s Link Intime India Private Limited,
C-101, 247 Park, L.B.S. Marg, Vikhroli (West),
Mumbai – 400083
Tel.: 22 4918 6000 | Fax: 022-49186060
www.linkintime.co.in |
Email- rnt.helpdesk@linkintime.co.in
CIN: U67190MH1999PTC118368

Listing of Equity Shares:
BSE Limited, 25th Floor, Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400001

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NOTICE

NOTICE IS HEREBY GIVEN THAT THE 40TH ANNUAL GENERAL MEETING OF THE MEMBERS OF PARNAX LAB LIMITED WILL BE HELD ON FRIDAY, SEPTEMBER 28, 2022 AT 3.00 P.M. THROUGH VIDEO CONFERENCING ("VC")/OTHER AUDIO-VISUAL MEANS ("OAVM") WHICH WILL BE DEEMED TO BE HELD AT THE REGISTERED OFFICE OF THE COMPANY TO TRANSACT THE FOLLOWING BUSINESSES:

ORDINARY BUSINESS:

1. **Consideration and Adoption of the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2022 and the Reports of the Board of Directors and Auditors thereon.**

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

   "**RESOLVED THAT** the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2022and the Reports of the Board of Directors and Auditors thereon, as circulated to the Members, be considered and adopted."

2. **Consideration and Adoption of the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2022 and the Report of the Auditors thereon**

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

   "**RESOLVED THAT** the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2022and the Report of the Auditors thereon, as circulated to the Members, be considered and adopted."

3. **Re-appointment of Mr. Prakash Shah, as a Director liable to retire by rotation**

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

   "**RESOLVED THAT** Mr. Prakash Shah (DIN: 00440980), who retires by rotation and being eligible for re-appointment, be re-appointed as a Director of the Company."

SPECIAL BUSINESS:

4. **Material Related Party Transaction(s) with Naxpar Pharma Private Limited**

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

   "**RESOLVED** that pursuant to Regulations 2(1)(zc), 23(4) and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the applicable provisions of the Companies Act, 2013 (the Act), if any, read with relevant Rules, if any, as amended from time to time, and the Company's Policy on Related Party Transactions and based on the recommendation of the Audit Committee of Directors, consent of the Members be and is hereby accorded to the Board of Directors (hereinafter referred to as the 'Board', which term shall be deemed to include any Committee constituted / empowered / to be constituted by the Board from time to time to exercise its powers conferred by this resolution) to continue with the existing contract(s)/ arrangement(s)/transaction(s) and/or enter into and/or carry out new contract(s)/arrangement(s)/transaction(s) of purchase and sale of goods and material (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise) with Naxpar Pharma Private Limited("the Subsidiary Company"), a related party of The Parnax Lab Limited (the Company) on such terms and conditions as may be agreed between the Company and Naxpar Pharma Private Limited, for an aggregate value not exceeding Rs. 3 crore during FY 2022-23, subject to such contract(s)/arrangement(s)/transaction(s) being carried out at arm's length and in the ordinary course of business of the Company;

   RESOLVED FURTHER THAT for the purpose of giving effect to the foregoing resolution, the Board of Directors of the Company (which term shall be deemed to include any Committee of the Board authorized in the said behalf be and are hereby authorised to do all such acts, deeds and things, including approving any amendments and alterations thereto as it may in its absolute discretion deem necessary, proper or desirable, and to settle any question, difficulty or doubt that may arise in respect of aforesaid without being required to seek any further consent or approval of the Members of Company, or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

By the Order of the Board of Directors
For Parnax Lab Limited

Sd/-
Preet Kukreja
Company Secretary

Date: 01.09.2022
Place: Mumbai

Registered Office:
Gala No. 114, Bldg. No. 8,
Jogani Industrial Complex,
Chunabhatti, Mumbai-400022
CIN: L36912MH1982PLC027

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business at Sr. 4 to be transacted at the Annual General Meeting is annexed hereto and forms a part of the Notice. The relevant details as required under regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Clause 1.2.5 of SS-2 (Secretarial Standards – 2) on General meetings by the Institute of Company Secretaries of India, in respect of the person seeking appointment / re-appointment as Director under item no. 3 of the Notice, is also annexed.

2. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") vide its Circular No. 14 dated April 8, 2020 read with Circular No. 17 dated April 13, 2020, Circular No. 20 dated May 5, 2020, General Circular No. 02/2021 dated January 13, 2021 and Circular No. 2 dated May 5, 2022 (hereinafter collectively referred to as "MCA Circulars") and SEBI vide its Circular dated January 15, 2021 reference no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 and Circular dated May 13, 2022 (hereinafter collectively referred to as "SEBI Circulars") extended relaxations granted under circular dated May 12, 2020 which permitted the holding of Annual General Meeting through VC or OAVM without the physical presence of Members at a common venue. In compliance with these MCA Circulars and the relevant provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 40th Annual General Meeting of the Members of the Company is being held through VC/OAVM. Hence, members can attend and participate in the AGM through VC/ OAVM only

3. Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to the Notice

4. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/Authorisation etc., authorising its representative to attend the Annual General Meeting through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through their registered email address at **prakash@hspnassociates.in** with copies marked to the Company at **Compliance@naxparlab.com** and to its RTA at instameet@linkintime.co.in

5. Members attending the meeting through VC/OAVM shall be counted for the purposes of reckoning the quorum under Section 103 of the Companies Act, 2013

6. The Notice of the 40th Annual General Meeting of the Company along with the Annual Report for the financial year 2021-22 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/Depositories in accordance with the aforesaid MCA Circulars and SEBI circulars. Members may note that the Notice of Annual General Meeting and Annual Report for the financial year 2021-22 will also be available on the Company's website

www.naxparlab.com, website of the Stock Exchange i.e. BSE Limited at **www.bseindia.com.** Members can attend and participate in the Annual General Meeting through VC/OAVM facility only. Members who have not yet registered their e-mail addresses are requested to register the same with their Depository Participants ("Dps").

7. The Register of Members and Share Transfer Books of the Company will be closed from Thursday, September 22, 2022 to Wednesday, September 28, 2022 (both days inclusive) for the purpose of the 40th (Forty) AGM of the Company.

8. Since the 40th AGM will be held through VC/OAVM, the route map for the AGM venue is not annexed.

9. Members are requested to:

   I. Register their correct email ID and correct Bank Account details:

   In case the shareholder's email ID is already registered with the Company/its Registrar & Share Transfer Agent "RTA"/ Depositories, log in details for e-voting are being sent on the registered email address.

   In case the shareholder has not registered his/her/their email address with the Company/its RTA/Depositories and or not updated the Bank Account mandate for receipt of dividend, the following instructions to be followed

   a) In the case of Shares held in physical mode: The shareholder may please email to RTA at rnt.helpdesk@linkintime.co.in or the Company at compliance@naxparlab.com

   b) In the case of Shares held in Demat mode:

   The shareholder may please contact the Depository Participant ("DP") and register the email address and bank account details in the demat account as per the process followed and advised by the DP

   II. Intimate the Registrar and Share Transfer Agent, M/s. Link Intime India Pvt. Ltd. for consolidation into a single folio Members, if they have shares in physical form in multiple folios in identical names or joint holding in the same order of names

   III. Convert their holdings in dematerialized form to eliminate risks associated with physical shares and better management of the securities. Members can write to the company's registrar and share transfer agent in this regard.

   IV. SEBI vide circular dated November 3, 2021 has mandated the listed companies to have PAN, KYC, bank details and Nomination of all shareholders holding shares in physical form. Folios wherein any one of the cited details / documents are not available with us, on or after April 1,2023, shall be frozen as per the aforesaid SEBI circular.

   The investor service requests forms for updation of PAN, KYC, Bank details and Nomination viz., Forms ISR-1, ISR-2, ISR-3, SH-13, SH-14 and the said SEBI circular are available on our website https://www.naxparlab.com/. In view of the above, we urge the shareholders to submit the Investor Service Request form along with the supporting documents at the earliest.

   The Company has sent a letter to the shareholders holding shares in physical form in relation to the aforesaid.

   In respect of shareholders who hold shares in the dematerialized form and wish to update their PAN, KYC, Bank Details and Nomination are requested to contact their respective Depository Participants.

10. In case of joint holders attending the meeting, 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

11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts(s). Members holding shares in physical form can submit their PAN details to M/s. Link Intime India Pvt. Ltd. at C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083.

12. All documents referred to in the accompanying Notice and the Explanatory Statement can be obtained for inspection by sending E-mail to Company on compliance@naxparlab.com Electronic copies of necessary statutory registers and auditors report/certificates will be available for inspection by the members at the time of AGM.

13. Members desiring any information relating to the Accounts are requested to address their queries to the Registered Office of the Company at least seven days before the date of the AGM, to enable the management to keep the information ready.

14. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

15. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Link Intime India Private Limited, Company's Registrar and Transfer Agent for assistance in this regard.

    Pursuant to SEBI circular dated January 25, 2022, securities of the Company shall be issued in dematerialized form only while processing service requests in relation to issue of duplicate securities certificate, renewal / exchange of securities certificate, endorsement, sub-division / splitting of securities certificate, consolidation of securities certificates/folios, transmission and transposition.

16. **Consolidation of Shares under one folio**

    The Company would urge shareholders holding shares of the Company under different folios to consolidate the shares under one folio. This would substantially reduce paperwork and transaction costs and benefit the shareholders and the Company. Shareholders can do so by writing to the Registrar with details on folio numbers, order of names, shares held under each folio, and the folio under which all shareholdings should be consolidated. Share certificates need not be sent.

17. The Members who hold shares in physical mode and have not registered their e-mail address may register their email ids with the Company / Registrar and Transfer Agent (Link Intime India Private Limited) to enable the Company to send Notices of General Meeting / Postal Ballot, Annual Report and other shareholders communication by electronic mode.

    Members are requested to support this Green Initiative by registering / updating their e-mail addresses, with the Depository Participant (in case of Shares held in dematerialized form) or with Registrar and Share Transfer Agents. (in case of Shares held in physical form)

18. Voting through electronic means (Remote E-voting):

    i. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (LODR) Regulations, 2015 and Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretataries of India, the Company is pleased to provide to its Members the facility to exercise their right to vote on resolutions proposed to be considered at the 40th Annual General Meeting (AGM)by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Link Intime India Private Limited (LIIPL).

    ii. The remote e-voting period commences on Sunday, September 25, 2022 (9:00 a.m. IST) and ends on Tuesday, September 27, 2022 (5:00p.m. IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Wednesday, September 21, 2022 may cast their vote electronically. The remote e-voting module shall be disabled by LIIPL e-voting platform for voting thereafter.

    iii. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Wednesday, September 21, 2022, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice.

    iv. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not been titled to cast their vote again.

    v. The facility for e-voting at the AGM will be available and the Members attending the meeting who have not cast their vote by remote e-Voting shall be able to exercise their right at the meeting through e-voting.

    vi. The Company has appointed Mr.Prakash Naringrekar, Designated Partner of M/s. HSPN & Associates LLP, Practising Company Secretaries as Scrutinizer, to scrutinize the entire e-voting process in a fair and transparent manner.

    vii. The Scrutinizer shall immediately after the conclusion of voting at the annual general meeting, would first unblock the e-voting at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the company and make within a period not exceeding two (2) days from the conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any and submit forth with to the Chairman of the Company or a person authorized by him in writing who shall countersign the same.

    viii. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.naxparlab.com and on the website of LIIPL immediately after the result is declared. The Company shall simultaneously forward the results to BSE Limited ("BSE"), where the shares of the Company are listed.

    ix. The Resolution shall be deemed to be passed on the date of AGM i.e. September 28, 2022 subject to receipt of sufficient votes.

INSTRUCTIONS FOR REMOTE E-VOTING AND ATTENDING THE AGM

Remote e-Voting Instructions for shareholders post change in the Login mechanism for Individual shareholders holding securities in demat mode, pursuant to SEBI circular dated December 9, 2020:

Pursuant to SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode can vote through their demat account maintained with Depositories and Depository Participants only post June 9,2021.

Shareholders are advised to update their mobile number and email Id in their demat accounts to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode/ physical mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	• 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.nsdl.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 company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. • If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp • 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. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website 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	• Existing user of 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. • 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, KARVY, LINK NTIME, CDSL. Click on e-Voting service provider name to cast your vote. • If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi./Registration/EasiRegistration • 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 where the E Voting is in progress.

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) & login through their depository participants	• 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 company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME.	1. Open the internet browser and launch the URL: https://instavote.linkintime.co.in ▶ Click on **"Sign Up"** under **'SHARE HOLDER'** tab and register with your following details: - **A. User ID:** Shareholders/ members holding shares in **physical form shall provide** Event No + Folio Number registered with the Company. **B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable. **C. DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format) **D. Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/Company. • Shareholders/ members holding shares in **physical form** but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above ▶ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter). ▶ Click **"confirm"** (Your password is now generated). 2. Click on **'Login'** under **'SHARE HOLDER'** tab. 3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on **'Submit'.** 4. After successful login, you will be able to see the notification for e-voting. Select **'View'** icon. 5. E-voting page will appear. 6. Refer the Resolution description and cast your vote by selecting your desired option **'Favour / Against'** (If you wish to view the entire Resolution details, click on the **'View Resolution'** file link). 7. After selecting the desired option i.e. Favour / Against, click on **'Submit'.** A confirmation box will be displayed. If you wish to confirm your vote, click on **'Yes',** else to change your vote, click on **'No'** and accordingly modify your vote.

Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIIPL at https://instavote.linkintime.co.in and register themselves as **'Custodian / Mutual Fund / Corporate Body'.** They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the **'Custodian / Mutual Fund / Corporate Body'** login for the Scrutinizer to verify the same.

Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME have forgotten the password:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIIPL at https://instavote.linkintime.co.in and register themselves as 'Custodian / Mutual Fund / Corporate Body'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.

- o Click on **'Login'** under **'SHARE HOLDER'** tab and further Click **'forgot password?'**
- o Enter User **ID,** select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on **'Submit'.**
  - In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.
  - Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
  - The password should contain minimum 8 characters, at least one special character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter.

Individual Shareholders holding securities in demat mode with NSDL/ CDSL have forgotten the password:

- Shareholders/ members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.
  - ➢ It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - ➢ For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
  - ➢ During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

Helpdesk for Individual Shareholders holding securities in demat mode:

In case shareholders/ members holding securities in demat mode have any technical issues related to login through Depository i.e., NSDL/ CDSL, they may contact the respective helpdesk given below:

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

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders & evoting service Provider is LINKINTIME.

In case shareholders/ members holding securities in physical mode/ Institutional shareholders have any queries regarding e-voting, they may refer the **Frequently Asked Questions ('FAQs')** and **InstaVote e-Voting manual** available at https://instavote.linkintime.co.in, under Help section or send an email to enotices@linkintime.co.in or contact on: - Tel: 022 –4918 6000.

Process and manner for attending the Annual General Meeting through InstaMeet:

1. Open the internet browser and launch the URL: https://instameet.linkintime.co.in
   - ➢ Select the "Company" and 'Event Date' and register with your following details:
     - A. Demat Account No. or Folio No: Enter your 16 digit Demat Account No. or Folio No
       - Shareholders/ members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID

- Shareholders/ members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
- Shareholders/ members holding shares in physical form shall provide Folio Number registered with the Company

B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

C. Mobile No.: Enter your mobile number.

D. Email ID: Enter your email id, as recorded with your DP/Company.

➢ Click “Go to Meeting” (You are now registered for InstaMeet and your attendance is marked for the meeting).

Please refer the instructions (annexure) for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMEET website.

Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:

1. Shareholders who would like to speak during the meeting must register their request 3 days in advance with the company mentioning their name, demat account no./folio no., email id, mobile no. at complianc@naxparlab.com.
2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Shareholders will receive “speaking serial number” once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panel list, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panel list by switching on video mode and audio of your device.

Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting “Cast your vote”
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on ‘Submit’.
3. After successful login, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.
4. Cast your vote by selecting appropriate option i.e. “Favour/Against” as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/Against’.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on “Save”. A confirmation box will be displayed. If you wish to confirm your vote, click on “Confirm”, else to change your vote, click on “Back” and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet 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 facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-FI or

LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

Annexure

Guidelines to attend the AGM proceedings of Link Intime India Pvt. Ltd.: InstaMEET

For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. InstaMEET, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

a. Please download and install the Webex application by clicking on the link https://www.webex.com/downloads.html/

b. If you do not want to download and install the Webex application, you may join the meeting by following the process mentioned as under:

Step 1	Enter your First Name, Last Name and Email ID and click on Join Now
1 (A)	If you have already installed the Webex application on your device, join the meeting by clicking on Join Now
1 (B)	If Webex application is not installed, a new page will appear giving you an option to either Add Webex to chrome or Run a temporary application. Click on Run a temporary application, an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now

Annexure

Particulars of the Directors seeking appointment or re-appointment at the ensuing 40th AGM as required under Regulation 36 of the SEBI Listing Regulations and Secretarial Standard on General Meetings (SS-2).

I	**Name of Director**	Mr. Prakash Shah
II	**DIN**	00440980
III	**Date of Birth and Age**	24.04.1944 , 78 years
IV	**Nationality**	Indian
V	**Date of First Appointment**	07.12.2010
VI	**Qualification**	Graduate
VII	**Shareholding of Director in the Company as March 31, 2022**	9,37,426
VIII	**Directors Inter-se relationship**	Brother of Baiju Mahasukhlal Shah Father in Law of Ami Mihir Shah
IX	**Years of experience**	47 years
X	**Directorship held in other companies (including the Company) as on March 31, 2022**	Parnax Lab Limited Naxpar Pharma Private Limited
XI	**Names of other listed entities in which the person also holds the directorship and the membership of Committees of the board**	Nil

Companies Act, 2013 The SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 And Secretarial Standard-2 On General Meetings

Pursuant to the provisions of Section 102 of the Companies Act, 2013 (the "Act"), the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations") and Secretarial Standard-2 on General Meetings ("SS-2"), the following Explanatory Statement sets out all material facts relating to the Special Businesses as mentioned in Item No. 4 in the accompanying Notice dated September 1, 2022 and forms part of the Notice.

Item No. 4 :

In terms of the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), a transaction with related party shall be considered material, if the transaction(s) to be entered into individually or taken together with the previous transactions during a financial year, exceeds 10% of the annual consolidated turnover of the listed company as per the last audited financial statements. Further, SEBI Listing Regulations provides that all material related party transactions shall require prior approval of the shareholders through resolution, and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

Further, in terms of the recent amendments in SEBI Listing Regulations, effective from April 1, 2022, the definition of related party transactions has been amended to include the transactions entered into by a subsidiary of the listed company with any related party of the listed company or related party of such subsidiary company. Further, if such transaction(s) during a financial year exceeds the Materiality Limit of the listed company, the same shall also require prior approval of Audit Committee & shareholders of the listed company.

Naxpar Pharma Private Limited is Subsidiary Company of the Parnax Lab Limited and consequently related party of Parnax Lab Limited. Parnax Lab Limited is entering into transaction related to purchase and sales of material with Naxpar Pharma Private Limited. these transactions not only help smoothen business operations for both the companies, but also ensure consistent flow of desired quality and quantity of facilities and services without interruption and generation of revenue and business for both the companies to cater to their business requirements.

The management of Parnax Lab Limited has provided the Audit Committee with the details of proposed RPTs including material terms and basis of pricing. The Audit Committee, after reviewing all necessary information, has recommended entering into RPTs with Naxpar Pharma Private Limited for an aggregate value not exceeding Rs. 3 crore during FY 2022-23. The existing orders were placed with Naxpar Pharma Private Limited on an arm's length basis. The Audit Committee has noted that the said transactions with Naxpar Pharma Private Limited will be on an arm's length basis and in the ordinary course of business of the Company.

Accordingly, the Board recommends the Ordinary Resolution set out at Item No.4 for approval by the Members.

Except Mr. Prakash Shah, Mr. Baiju Shah, Mrs Ami Mihir Shah, Mr. Vinayak Babli Desai and Mr. Yogesh Varia none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.04. Further, no voting done by any members of the Company, if such member is related party, shall be counted for the purpose of passing of this resolution.

By the Order of the Board of Directors
For Parnax Lab Limited

Sd/-
Preet Kukreja
Company Secretary

Date: 01.09.2022
Place: Mumbai

DIRECTORS' REPORT

To,

The members of
Parnax Lab Limited.

Your Directors have pleasure in presenting the 40th Annual Report together with the Audited Financial Statements for the year ended on 31st March, 2022.

1. FINANCIAL RESULTS:

The financial performance of the Company for the financial year ended March 31, 2022 is summarised below:-

(Standalone basis)

Amount in Rs.

Particulars	For the year ended on March 31, 2022	For the year ended on March 31, 2021
Revenue from Operations	7,14,98,893	2,37,27,622
Profit/ (Loss) before Depreciation and Tax	82,45,030	(1,20,96,888)
Less: Depreciation	4,46,778	4,39,559
Tax Expenses	23,83,221	(12,13,265)
Net Profit/ (Loss) for the year	54,15,031	(1,13,23,182)
Add. Profit & Loss A/c Bal of Previous year	(10,23,22,605)	(9,09,99,422)
Appropriations:		
Proposed Dividend	Nil	Nil
Dividend Distribution Tax – on Proposed Dividend	N.A.	N.A.
Balance c/fd to Balance Sheet as at 31.03.2022	**(9,69,07,574)**	**(10,23,22,605)**

2. STATEMENT OF COMPANY'S AFFAIRS:

During the year the revenue from operations on standalone basis is Rs.7,14,98,893/- (Rupees Seven Crore Forteen Lakh Ninety Eight Thousand Eight Hundred Ninety Three) as compared to previous year revenue is Rs.2,37,27,622/- (Rupees Two Crore Thirty Seven Lakh Twenty Seven Thousand Six Hundred Twenty Two) . The management of the Company is trying hard to achieve more growth in the upcoming years.

3. DIVIDEND:

The Board recommended no dividend shall be declared for the Financial Year ended on March 31, 2022.

4. TRANSFER TO RESERVES:

During the year the Company has not transferred amount to any reserve.

5. SHARE CAPITAL:

Pursuant to the Special Resolution passed in the Extra-Ordinary General Meeting held on January 31, 2022, the Authorised Share Capital of the Company was increased to Rs. 13,00,00,000 (Rupees Thirteen Crore Only) divided into 1,30,00,000 equity shares of Rs. 10/- each.

Further, in the Board Meeting held on March 22, 2022, the Board allotted 29,80,750 warrants convertible into equivalent equity shares to Promoter and Promoter Group on Preferential Basis at an issue price of Rs. 43.50 (including Premium of Rs. 33.50 per warrant).

Out of total 29,80,750 warrants issued, 13,10,000 warrants were converted into equivalent Equity Shares on March 30, 2022, pursuant to exercise of conversion option by Promoters and Promoter Group.

6. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS / OUTGO:

The particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings/outgo are set out in **Annexure I** to this Report.

7. EXTRACT OF ANNUAL RETURN:

The Annual Return as required under sub-section (3) of Section 92 of the Companies Act, 2013 ('the Act') in form MGT-7 is made available on the website of the Company https://naxparlab.com/financials.

8. MANAGEMENT DISCUSSION AND ANALYSIS:

Management Discussion and Analysis is presented as a separate section as **Annexure II** forming part of this Annual Report.

9. SUBSIDIARY COMPANY:

The Company has one Subsidiary Company as on March 31, 2022 namely Naxpar Pharma Private Limited. There has been no material change in the nature of business of the subsidiary company.

Pursuant to the provision of Section 129(3) of the act, a statement containing salient features of the financial statements of the company's subsidiary in Form AOC-1 is attached to the set Report in **Annexure III** to this Report.

10. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

During the year 2021-22 the Contract or Arrangements entered in to by the Company with related parties were approved by the Audit Committee pursuant to subsection (IV) (4) of Section 177 of Companies Act, 2013 and by the Board of Directors pursuant to Section 188 (1) of Companies Act, 2013.

The related party transactions were at arm's length basis and were in the ordinary course of business of the Company. The other details with respect to related party transactions in Form AOC – 2 are set out in **Annexure IV** to this Report. The policy on Related Party Transactions is available on Company's website- www.naxparlab.com

11. PARTICULARS OF REMUNERATION:

In terms of provision of section 197 (12) of the Companies Act 2013 and Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing have been provided in **Annexure VI** however as there are no employees drawing remuneration in excess of the prescribed limits. The information as required the names and other particulars of employees drawing remuneration in excess of the limits set out in the said Rules forms part of the Report. However, having regard to the provisions of the first proviso to Section 136(1) of the Companies Act, 2013, the Annual Report including the aforesaid information is being sent to the Members of the Company.

12. DEPOSITS:

During the Financial Year 2021-22, The Company has not accepted any public deposit covered under Section 76 of the Companies Act, 2013.

13. CORPORATE SOCIAL RESPONSIBILITY:

The Company is not required to constitute a Corporate Social Responsibility Committee as it does not fall within purview of Section 135 of the Companies Act, 2013 and hence it is not required to formulate policy on corporate social responsibility.

14. DISCLOSURE REQUIREMENTS

Policy on dealing with related party transactions is available on the website of the Company at the link: www.naxparlab.com.

The Company has formulated and disseminated a Whistle Blower Policy to provide vigil mechanism for employees and Directors of the Company to report genuine concerns that could have serious impact on the operations and performance of the business of the Company. This Policy is in compliance with the provisions of Section 177(9) of the Companies Act, 2013 and Regulation 4(d)(iv) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Policy on Whistle Blower is available on the website of the Company at the link: www.naxparlab.com.

15. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONEEL:

As on March 31, 2022, the Board comprised of 6 (Six) namely, Mr. Prakash Mahasukhlal Shah (DIN:00440980), Mr. Baiju Mahasukhlal Shah (DIN:00440806), Mrs. Ami Shah (DIN:03101049), Mr. Vinayak Desai (DIN:03185850), Mr. Tirunillai Venkateswara Anatharaman (DIN: 07147028), Mr. Yogesh Varia (DIN:09186184).

Mr. Yogesh Varia appointed as Non- Executive Independent Director w.e.f. May 28, 2021. Mrs. Preet Kukreja appointed as Company Secretary and Compliance officer w.e.f. June 21, 2021

As on 31st March, 2022, there was no disqualification of any Director pursuant to Section 164 (2) of the Companies Act, 2013.

At the ensuing 40th Annual General Meeting of the Company the Director Mr. Prakash Shah (DIN: 00440980) is liable to retire by rotation and being eligible offers himself for re-appointment.

Board recommends his re-appointment to the members for consideration in the ensuing 40thAnnual General Meeting.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of the independence as prescribed both under section 149(6) of the Companies Act, 2013 and under Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In accordance with the provisions of the Companies Act, 2013, none of the Independent Directors are liable to retire by rotation. The required information of the Directors being re-appointed, pursuant to the provisions of the Listing Regulations, forms part of the Annual Report.

16. NUMBER OF MEETINGS OF THE BOARD:

During the year under review, Nine (9) Board Meetings were convened and held during the year 2021-22 pursuant to Section 173 (1) of Companies Act, 2013 on May 28, 2021, June 21, 2021, June 30, 2021, August 14, 2021, November 13,2021, January 1, 2022, February 14, 2022, March 22, 2022, March 30, 2022.

17. DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to Section 134 (3) (C) of the Companies Act, 2013 your Directors state that:

(a) in the preparation of Annual Accounts for the year ended on March 31, 2022, the applicable accounting standards have been followed and there are not material departures from the same.,

(b) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year on March 31, 2022 and the profit and loss of the Company for that period.,

(c) the Directors have taken proper and sufficient care for the maintenance of the adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.,

(d) the Directors have prepared Accounts on 'going concern' basis., and

(e) The Directors have laid down internal financial controls to be followed by the Company and that such financial controls are adequate and are operating effectively.

(f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

18. DECLARATIONS GIVEN BY INDEPENDENT DIRECTORS:

The Company has received necessary declarations from all the Independent Directors under Section 149(7) of the Act that they meet the criteria of independence laid down in Section 149(6) of the Act and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

19. NOMINATION AND REMUNERATION COMMITTEE:

The Board had constituted Nomination and Remuneration Committee pursuant to the provisions of subsection (1) of Section 178 of Companies Act, 2013. Pursuant to subsection (3) of Section 178 of Companies Act, 2013 the Nomination and

Remuneration Committee has formulated the criteria for determining qualifications, positive attributes and independence of a Director and recommended to the Board the policy, relating to the remuneration of directors, key managerial personnel and other employees. The policy is available at Company's website on www.naxparlab.com.

20. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The particulars of Loans, Guarantees and investment made under Section 186 of the Companies Act, 2013 have been disclosed in the financial statements in Notes of the Financial Statement.

21. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY:

There were no material changes and commitments affecting the financial position of the Company between the end of the financial year of the Company to which the financial statements relate and the date of the report except the following:

1. In the Board Meeting held on July 1, 2022 the Board allotted 16,70,750 Equity shares of Rs. 10/- each pursuant to conversion option exercised by the Promoters and Promoter Group for equivalent warrants.

22. PERFORMANCE EVALUATION OF BOARD:

Pursuant to the applicable provisions of the Act and the Listing Regulations, the Board has carried out an Annual Evaluation of its own performance and working of its Committees. The Board's functioning was evaluated on various aspects, including inter alia degree of fulfillment of key responsibilities, its structure and composition, establishment and delegation of responsibilities to various Committees. Directors were evaluated on aspects such as attendance and contribution at Board/ Committee Meetings and guidance/ support to the management of the Company. Areas on which the Committees of the Board were assessed included degree of fulfilment of key responsibilities, adequacy of Committee composition and effectiveness of meetings. The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated.

The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors, who also reviewed the performance of the Board as a whole.

23. STATUTORY AUDITORS:

In terms of Section 139 of the Companies Act, 2013, M/s. C N Patel & Co., Chartered Accountants (FRN: 112552W) have been appointed as Statutory Auditors of the Company in 39th Annual General Meeting of the Company till the conclusion of the 44th Annual General Meeting of the Company.

The Statutory Auditor has confirmed their eligibility and submitted the certificate in writing that they are not disqualified to hold the office of the statutory auditor. Further, in terms of the Listing Regulations, the Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the ICAI.

The Statutory Auditors M/s. C N Patel & Co, Chartered Accountants have issued their reports on Financial Statements for the year ended March 31, 2022. There are no adverse remarks or qualifications in the said report. The Notes on Accounts referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Members are therefore requested to approve the Auditors' Report.

24. INTERNAL AUDITORS:

As per section 138 of the Companies Act, 2013. The Company has appointed **M/s P S D & Associates, Chartered Accountants,** as the internal auditors for the financial year to 2022-23 to conduct the internal audit and to ensure adequacy of the Internal controls, adherence to Company's policies and ensure statutory and other compliance through, periodical checks and internal audit.

25. SECRETARIAL AUDITORS REPORT:

The Board has appointed **M/s. HSPN & Associates LLP,** Practicing Company Secretaries, to undertake the secretarial Audit of the Company for the financial year ended March 31, 2022.

The Secretarial Audit Report in the Form No. MR - 3 for the year is provided as **'Annexure – VII'** to this Report.

Further, the secretarial Audit Report contains qualifications which are tabled below along with the Directors Report

Secretarial Auditor's Remarks	Directors Comment
The immovable properties are held in the name of company except the plots situated at Silvassa, which are in the name of Parnax Lab Private Limited and Naxpar Lab Private Limited. As informed, both the Companies are merged with the Company and transfer of above said plot in the name of Company pursuant to merger is still pending	The Company has submitted application for the transfer plots situated at Silvassa in the name of the Company with the local Government authorities and the Company is awaiting for approval from local Government authorities.

26. COMMITTEES OF THE BOARD:

The Board has constituted necessary Committees pursuant to the provisions of Companies Act, 2013, rules framed thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015 with Stock Exchanges. The Committees of the Board held by company are Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee. The details about Committee Meetings are given below:

Sr. No.	Particulars	No. of Meetings held
1.	Audit Committee	5
2.	Stakeholder's Relationship Committee	1
3.	Nomination & Remuneration Committee	2

27. COMPOSITION OF COMMITTEE OF BOARD OF DIRECTORS:

I. Audit Committee:

1. Mr. Vinayak Desai - Chairman
2. Mr. Yogesh Kantilal Varia - Member
3. Mr. Baiju Shah– Member

II. Stakeholder's Relationship Committee

1. Mr. Vinayak Desai - Chairman
2. Mr. Yogesh Kantilal Varia-Member
3. Mr. Baiju Shah– Member

III. Nomination & Remuneration Committee

1. Mr. Vinayak Desai - Chairman
2. Mr. Yogesh Kantilal Varia- Member
3. Mrs. Ami Shah– Member

28. WHISTLE BLOWER:

The Board of Directors have set up the Whistle Blower Policy i.e. Vigil Mechanism for Directors and Employees of the Company to report concerns about unethical behaviour, actual or suspected fraud, or violations of Company's Code of Conduct or Ethics Policy. The detailed Vigil Mechanism Policy is available at Company's Website www.naxparlab.com.

29. CORPORATE GOVERNANCE:

The Company falls under the criteria 15(2) (a) of the Listing Obligations & Disclosure requirements SEBI(LODR) Regulations,2015 and the Paid-up capital of the Company was below Rs. 10/- Crores and net worth was below Rs. 25/- Crores as on the last day of the previous financial year 2020-21. Hence, Corporate Governance Report is not applicable to the Company for the financial year 2021-22.

Further, on July 1, 2022 the Paid-up Capital of the Company increased to Rs. 11,48,56,160, pursuant to allotment of 16,70,750 Equity Shares. Therefore, the provision of Corporate Governance as prescribed under the SEBI (LODR) Regulation shall become applicable to the Company within a period of time as prescribed under the said Regulations.

30. POLICIES:

The Company seeks to Promote Highest levels of ethical standards in the normal business transaction guided by the value system. The SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, mandates formulation of certain policies for Listed Companies. The Policies are reviewed periodically by the Board and are updated based on the need and compliance as per the applicable laws and rules and amended from time to time. The policies are available on the website of the Company at www.naxparlab.com.

31. INTERNAL FINANCIAL CONTROLS:

The Board hereby reports that the Internal Financial Controls were reviewed by the Audit Committee and there were adequate Internal Financial Controls existed in the Company with respect to the Financial Statements for year ended on March 31, 2022 and the Internal Financial Controls are operating effectively.

32. ASSET CLASSIFIED AS HELD FOR SALE:

The company intends to dispose off plant and equipment pertaining to the Silvassa Factory, as it no longer intends to be utilized. It was previously utilized in its manufacturing facility. The Company is in search of a buyer for sale of plant and equipment.

33. COMPLIANCE WITH SECRETARIAL STANDARDS

The Company has been in compliance with the applicable Secretarial Standards during the Financial year 2021-2022.

34. DISCLOSURE UNDER SEXUAL HARASSMENT ACT:

As required by the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has formulated and implemented a policy on prevention of sexual harassment at workplace with a mechanism of lodging complaints, Redressal for the benefits of its employees. There were no complaints filed against any of the employees of the Company under this Act.

35. THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF.

During the year, the Company has not done any kind of Valuation.

36. ACKNOWLEDGEMENT:

The Directors wish to place on record their appreciation for the continued co-operation and support extended to the Company by government authorities, customers, vendors, regulators, banks, financial institutions, rating agencies, stock exchanges, depositories, auditors, legal advisors, consultants, business associates, members and other stakeholders during the year.

The Directors also convey their appreciation to employees at all levels for their contribution, dedicated services and confidence in the management and also sincerely thank the shareholders for the confidence reposed by them in the company and from the continued support and co-operation extended by them.

For and on behalf of the Board
of Parnax Lab Limited

Sd/-

Prakash M. Shah
Director and CEO
(DIN 00440980)

Date : 01.09.2022
Place : Mumbai

ANNEXURE-I

Conservation Of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

(Pursuant To Provisions of Section 134 Of the Companies Act, 2013 Read with Rule 8 (3) Of Companies (Accounts) Rules, 2014)

A) CONSERVATION OF ENERGY:

The company is fully committed for energy conservation in its various operations and has a dedicated energy management team for constant

(i) The steps taken or impact on conservation of energy –

The company is regularly putting its efforts to improve the energy management by way of monitoring energy related parameters on a regular basis. The company is committed to transform energy conservation into a strategic business goal fully aligned with the technological and sustainable development of energy management system.

(ii) The steps taken by the company for utilizing alternate sources of energy –

Company ensures that there is optimum utilization and maximum possible savings of energy is achieved. Further Company has taken various initiative for utilization of alternate source of energy.

(iii) The capital investment on energy conservation equipments–

Since Company is having adequate equipment; no capital investment on energy conservation equipments is made during the year.

B) TECHNOLOGY ABSORPTION:

(i) The efforts made towards technology absorption – Not Applicable

(ii) The benefits derived like product improvement, cost reduction, product development or import substitution –

Not Applicable

(iii) In the case of imported technology (imported during the last three years reckoned from the beginning of the financial year) –

Not Applicable.

(a) The details of technology imported - Not Applicable
(b) The year of import - Not Applicable
(c) Whether the technology 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 –

At present the Company does not have separate division for carrying out research and development work. No expenditure has therefore been earmarked for this activity.

C) FOREIGN EXCHANGE EARNING AND OUTGO:

Particulars	**(Amount in Rs.)**	
	2021-22	**2020-21**
(a) Foreign Exchange Earnings	5,61,68,003	1,59,94,159
(b) Foreign Exchange Outgo:		
Import of Capital Goods	Nil	Nil
Import of Raw Materials	Nil	Nil
Stores and Consumables	Nil	Nil
Expenses for Foreign Travel	Nil	Nil

For and on behalf of the Board of Parnax Lab Limited

Sd/-

Prakash M. Shah
Director and CEO
(DIN 00440980)

Date : 01.09.2022
Place : Mumbai

ANNEXURE II

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENT:

Indian pharma industry enjoys an important position in the global pharmaceuticals industry. Industry is gearing up for the next level of growth driven by shift towards specialty products, customer centricity, focus on improving quality, operational efficiency and productivity and selective mergers & acquisitions.

With a distinct niche of a wide range of products in the veterinary markets, we are poised to take advantage of this unique opportunity available to producers in India. Our focus is not the developed markets of America, Europe and Japan but the developing markets in rest of the world. While these are price sensitive, the opportunity exists to enlarge market presence and deepen the reach. We plan to extend our reach in these markets and improve our performance by being one of the most cost competitive producers.

SEGMENTWISE PERFORMANCE:

The Company is engaged in Trading of Pharmaceuticals, Medicinal products and this may be considered as the only segment. Therefore, the requirement of segment wise reporting is not applicable.

OPPORTUNITIES / OUTLOOK:

The Company is exploring overseas market for its products and optimistic to achieve good results. The growth in industrial output and increase in investment in core and infrastructure sector should improve the sentiments of Economy.

On the whole, your Company is optimistic for the outlook of growth in the short to medium term in terms of total revenues/ turnover and operating margins considering overall expected positive trend in Pharmaceutical industry.

THREATS:

The technological developments in healthcare as a whole, such as artificial intelligence and 3D printing and their impacts on business models, operations, workforce needs and cybersecurity risks need careful understanding as obsolescence can quickly steal in. Also, As the regulators and society demands on industry to minimise the footprint on environment gets stiffer, the industry needs to raise its standard and attain global standards in environment and workforce health.

RISKS AND CONCERNS:

Every company is exposed to certain risk and Parnax Lab Limited is not an exception. The Company has risk management system to mitigate the risk.

In order to reduce the concentration risk, the Company has been spreading its business and with its effective marketing strategy is also increasing sales volumes in existing markets and is making regular efforts to widen geographical spread.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company has a proper and adequate internal control systems ensure there is efficient use and protection of resources and compliance with policies, procedures and statutory requirements. There are well-documented guidelines, procedures and processes, integral to the overall governance, laws and regulations. An independent firm of chartered accountants carries out the internal audit across the organization. The internal auditors review the adequacy, integrity and reliability of control systems and suggest improvements. The internal auditor conducts extensive reviews and process improvements identified during the reviews, are communicated to the management on an on-going basis. Significant observations made by the internal auditors and the follow up actions thereon are reported periodically to the Audit Committee of the Board of Directors. The Audit Committee monitors the implementation of the audit recommendations.

HUMAN RESOURCES POLICIES:

The Company treats all its employees equally and considers them the most valuable assets. It has implemented human resource policies for effective and efficient staffing. The Company's main focus is to attract and retain its pool of scientific and managerial resources. Performance of employees are recognised individually, through a thoughtful mix of incentives & performance bonuses.

CAUTIONARY STATEMENT:

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be 'forward-looking statements' within the meaning of applicable securities laws and regulations.

Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.

For and on behalf of the Board
of Parnax Lab Limited

Sd/-

Date: 01.09.2022
Place: Mumbai

Prakash M. Shah
Director and CEO
(DIN 00440980)

ANNEXURE III

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

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

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sr. No.	Particulars	Details
1.	Name of the subsidiary	NAXPAR PHARMA PRIVATE LIMITED
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	No
3.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	N.A.
4.	Share capital	5,00,00,000/-
5.	Reserves & surplus	40,50,88,461/-
6.	Total assets	1,41,61,42,423/-
7.	Total Liabilities	1,41,61,42,423/-
8.	Investments	13,51,000/-
9.	Turnover	1,57,56,89,524/-
10.	Profit before taxation	11,84,44,133/-
11.	Provision for taxation	3,76,76,328/-
12.	Profit after taxation	7,71,67,805/-
13.	Proposed Dividend	NIL
14.	% of shareholding	99.80%

Notes:
The following information shall be furnished at the end of the statement:
1. Names of subsidiaries which are yet to commence operations: NA
2. Names of subsidiaries which have been liquidated or sold during the year: NA.

For and on behalf of the Board
of Parnax Lab Limited

Sd/-

Date: 01.09.2022
Place: Mumbai

Prakash M. Shah
Director and CEO
(DIN 00440980)

ANNEXURE – IV

FORM AOC - 2

Form for disclosure of particulars of contracts/arrangements entered into 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 WITH RELATED PARTIES:

The Company has not entered into any contract or arrangement or transaction with its related parties which not at arm's length during financial year 2021-22.

2. DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS AT ARM'S LENGTH BASIS WITH RELATED PARTIES:

The below mentioned entities are the related parties where the Directors of the Company holds Directorship, Partnership, Membership control or interests so these entities are considered as related entities of the Company. The below mentioned values are the value of the transaction amounts paid or payable for the year ended on 31stMarch, 2022.

Sr. No.	Name of the Related Parties.	Nature of Contract/ arrangement/ transactions	Duration of Contract/ arrangement/ transactions	Salient terms of the contract or arrangements or transactions including the value, if any	Amount Paid as Advance, if any.
1.	Naxpar Pharma Pvt. Ltd.	Sales and Purchase of Materials	01st April 2021 to 31st March 2022	As per Sales/ Purchase orders placed from time to time.	Nil
2.	Naxpar Medicamentos LLP	Sale of Material and Rent Received	01st April, 2021 to 31st March, 2022	As per Sales orders placed from time to time.	Nil
3.	Naxpar Pharma FZ LLC	Sale of Material	01st April 2021to 31st March 2022	As per Sales orders placed from time to time.	Nil
4.	Naxpar Health Concepts Private Limited	Purchase of Material	01st April 2021 to 31st March 2022	As per Purchase orders placed from time to time.	Nil

Note: Appropriate approvals have been taken for related party transactions.

For and on behalf of the Board
of Parnax Lab Limited

Sd/-

Date: 01.09.2022
Place: Mumbai

Prakash M. Shah
Director and CEO
(DIN 00440980)

ANNEXURE – V

CEO & CFO CERTIFICATION TO THE BOARD
(Pursuant to Regulation 17(8) of the SEBI Listing Regulations)

To,
The Board of Directors,
PARNAX LAB LIMITED
Gala No. 114, Bldg. No. 8, Jogani Industrial Complex,
Chunabhatti, Mumbai-400022.

We, Prakash Mahasukhlal Shah, Director cum CEO and Baiju Mahasukhlal Shah, Managing Director Cum CFO of Parnax Lab Limited ("the Company"), to the best of our knowledge and belief hereby certify as stipulated in SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, that,

(a) We have reviewed the financial statements and the Cash Flow Statement for the financial year ended 31st March, 2022 and we certify that:

   i. These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;

   ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable Laws and Regulations.

(b) There are to the best of our knowledge and belief, no transactions entered into by the Company during the financial year which are fraudulent, illegal or in violation of the Company's Code of Conduct.

(c) We hereby declare that all the members of the Board of Directors and Management Committee have confirmed compliance with the Code of Conduct adopted by the Company.

(d) We accept responsibility for establishing and maintaining Internal Controls. We have evaluated the effectiveness of the Internal Control Systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee the deficiency, if any, in the design or operation of the Internal Control Systems, of which we were aware and the steps we have taken or propose to take to rectify those deficiencies.

We further certify that:

(i) There have been no significant changes in Internal Control Systems during the year.

(ii) There have been no significant changes in Accounting Policies during the year.

(iii) There have been no instances of significant fraud of which we were aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's Internal Control Systems.

For and on behalf of the Board
Of Parnax Lab Limited

	Sd/-	**Sd/-**
	Baiju M.Shah	**Prakash M. Shah**
Date: 01.09.2022	**Managing Director & CFO**	**Director & CEO**
Place: Mumbai	**(DIN 00440806)**	**(DIN 00440980)**

DECLARATION

To,
The Member of Parnax Lab Limited

I, Prakash Shah, CEO & Director of Parnax Lab Limited ("the Company") hereby confirm pursuant to SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 that:

I hereby confirm that all the board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management as applicable to them for the financial year ended 31stMarch, 2022.

For Parnax Lab Limited

Sd/-
Prakash M. Shah
Director and CEO
(DIN 00440980)

Date: 01.09.2022
Place: Mumbai

ANNEXURE – VI

The information required under section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

*During the Financial Year 2021-22 none of the Director's of Company were drawing Remuneration and any fees from the Company. However, to ensure good corporate practice, our company is in compliance of providing the said Disclosure of Remuneration.

a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Name of the directors	Ratio to median Remuneration
Non-executive directors	
Mr. Vinayak B Desai	N. A.
Mr. Manharbhai N Jhavari	N. A.
Mr. Tirunillai V Anantharaman	N. A.
Mrs. Ami M Shah	N.A.
Executive directors	
Mr. Prakash M Shah	NIL
Mr. Baiju M Shah	NIL

b. The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year:

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
Mr. Prakash M Shah	NIL
Mr. Baiju M Shah	NIL
Mr. Vinayak B Desai	N. A.
Mr. Tirunillai V Anatharaman	N. A.
Mr.Yogesh Varia	
Mrs. Ami M Shah	N. A.
Ms. Preet Kukreja – Company Secretary	NIL

c. The percentage increase in the median remuneration of employees in the financial year: 10

d. The number of permanent employees on the rolls of Company: 12

e. Average percentile increases 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:

The average annual increase was around 7% to 10 % Approximately.

Increase in the managerial remuneration for the year: NIL

f. Affirmation that the remuneration is as per the remuneration policy of the Company:

The Nomination and Remuneration Committee of the Company has affirmed that the remuneration is as per the remuneration policy of the Company. The policy is available on the company's website: www.naxparlab.com

g. The statement containing particulars of employees as required under section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

For and on behalf of the Board
of Parnax Lab Limited

Sd/-

Prakash M. Shah
Director and CEO
(DIN 00440980)

Date: 01.09.2022
Place: Mumbai

ANNEXURE VII

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR FINANCIAL YEAR ENDED ON 31ST MARCH, 2022
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Parnax Lab Limited,
114, Bldg. No. 8 Jogani Industrial Complex,
Chunabhatti, Mumbai - 400 022.

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other 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 ended on 31st March, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers and minute books, Forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2022, to the extent applicable provisions of:

I. The Companies Act, 2013 ("The Act") and the Rules made thereunder;

II. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the Rules made thereunder;

III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") to the extent applicable to the Company: -

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable during the audit period)

   d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993.

VI. The Management has identified and confirmed the applicable Acts, Laws and Regulations specifically applicable to the Company:

   i. Drugs and Cosmetics Act, 1945 and Rules;

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

I) Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India along with revised Secretarial Standards 1 and 2 as issued by The Institute of Company Secretaries of India with effect from 1st October, 2017.

ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

   During the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, and Standards and Listing Obligations mentioned above except the following:

   The immovable properties are held in the name of company except the plots situated at Silvassa, which are in the name of Parnax Lab Private Limited and Naxpar Lab Private Limited. As informed, both the Companies are merged with the Company and transfer of above said plot in the name of Company pursuant to merger is still pending.

We further report that:

The Board of Directors of the Company is constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act.

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

We further report that during the audit period under review:

1. In 39th Annual General Meeting held on September 30, 2021, the Company appointed M/s. C N Patel & Co, Chartered Accountants (FRN – 112552W) as the Statutory Auditors of the Company for a term of five (5) consecutive years from the conclusion of the 39th Annual General Meeting till the conclusion of the 44th Annual General Meeting.
2. In the Board Meeting held on May 28, 2021, Shri. Yogesh Kantilal Varia (DIN: 09186184) was appointed as a Non-Executive Independent Director of the Company for term of 5 (Five) consecutive years with effect from May 28, 2021 till May 27, 2026.
3. In the Extra-Ordinary General meeting held on 31st January 2022, a Special Resolution was passed to issue 42,10,000 warrants convertible into equity shares to promoters and promoters' group on preferential basis at an issue price of Rs. 43.50/- for a consideration at cash. Further, the Company obtained in-principle approval of the BSE for allotment of 29,80,750 warrants vide E-Letter DCS/PREF/KK/PRE/2030/2021-22 dated March 17, 2022.
4. Pursuant to the In-principle approval granted by the BSE, the Board in its meeting held on March 23, 2022 allotted 29, 80, 750 warrants convertible into equivalent Equity Shares upon receipt of 25% of issue price from the Allottees.
5. Further, pursuant to exercise of conversion option available with the warrant's holder i.e. Promoters and Promoter Group, the Board approved in its meeting held on March 30, 2022, the conversion of 13,10,000 warrants into 13,10,000 equity shares. The Company obtained Listing and Trading Approval for the 13,10,000 equity shares on April 29, 2022 and May 26, 2022, respectively. The said shares are subject to lock-in till May 30, 2025.
6. The Company has obtained members approval in its Annual General Meeting held on 30th September, 2021:
   (a) Approving related party transactions with its subsidiary companies.
   (b) Appointing Mr. Yogesh Varia (DIN: 09186184) as Non-Executive Independent Director of the Company for term of 5 (Five) consecutive years with effect from May 28, 2021 till May 27, 2026.
   (c) Appointing M/S. C N Patel & Co., Chartered Accountants (Firm Registration No. 112552W) as the Statutory Auditors of the Company for a term of 5 years

For HSPN & Associates LLP
Company Secretaries

Sd/-

Prakash D. Naringrekar
Designated Partner
ACS No.: 5941
CP No.: 18955

Date: September 01, 2022
Place: Mumbai
ICSI UDIN: A005941D000892970
Peer Review No: P2007MH004300

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms as integral part of this report

Annexure A

To,
The Members,
Parnax Lab Limited,
114, Bldg. No. 8 Jogani Industrial Complex,
Chunabhatti, Mumbai - 400 022.

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

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.

We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. We believe that processes and practices, we followed provide a reasonable basis for our opinion.

We have not verified the correctness and appropriateness of financial records and Books of Accounts, and related documents of the Company.

Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events, etc.

The Compliance of the provisions of Corporate and the other applicable laws, rules, regulations, standards is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.

The Secretarial Audit report 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 HSPN & Associates LLP
Company Secretaries

Sd/-

Prakash D. Naringrekar
Designated Partner
ACS No.: 5941
CP No.: 18955

Date: September 01, 2022
Place: Mumbai
ICSI UDIN: A005941D000892970
Peer Review No: P2007MH004300

INDEPENDENT AUDITOR'S REPORT

To The Members of **Parnax Lab Limited**

Report on the Standalone Financial Statements

1. We have audited the accompanying Standalone financial statements of **Parnax Lab Limited** ("the Company"), which comprises the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (Including Other Comprehensive Income), the Cash Flow Statement and the Statement of Change in Equity for the year then ended and, notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

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

Basis of Opinion

3. 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 together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

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

5.

The Key Audit Matter	**How was the matter addressed in our audit**
Revenue is recognised when control of the products being sold has been transferred to the customer. The timing of revenue recognition is relevant to the reported performance of the Company. We identified revenue recognition as a key audit matter because there is presumed fraud risk of revenue being overstated at period end by recognising certain transactions as revenue though control over those goods may not have transferred to the customers as at year-end by changing the timing of transfer of control.	In view of significance of the matter we applied following audit procedures in this area, among others to obtain sufficient and appropriate audit evidence: • Evaluated compliance of the revenue recognition accounting policies by comparing with Ind AS 115 "Revenue from Contracts with Customers". • Tested the design, implementation and operating effectiveness of the Company's general IT controls and manual controls over the Company's systems which governs recording of revenue, creation of new customers and key controls over revenue cut-off in the general ledger. • Performed substantive testing by selecting statistical samples of revenue transactions recorded during the year and year-end cut-off testing by verifying the underlying documents, which include testing contractual terms of sale contracts / invoices, shipping documents and proof of delivery to test evidence for transfer of control. • Evaluated adequacy of disclosures in relation to revenue in the standalone financial statements.

Information other than the financial statements and auditors' report thereon

6. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

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

8. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's Responsibility for the Standalone Financial Statements

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(I) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

14. 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.

15. 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.

16. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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

17. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

18. 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 purposes of our audit.

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

    c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), Cash Flow Statement and the Statement of Change in Equity dealt with by this Report are in agreement with the books of account.

    d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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

    f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

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

       The Company has not paid any remuneration to its directors during the year. Hence, the provisions of the section 197 of the Act is not applicable.

    h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

       i) The Company has disclosed the impact of pending litigations, if any on its financial position in note no. 33 of its standalone financial statements;

       ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;

iii) There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company;

iv) a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

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

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

For C. N. Patel & Co.
Chartered Accountants
Firm's Registration No. : 112552W

Sd/-

CA Manish Mandhana
Partner
M. No. : 112026
Place : Mumbai
Dated : 30th May, 2022
UDIN : 22112026AJXHFU1308

Annexure A to Independent Auditor's Report

Referred to as **'Annexure A'** in paragraph 17 of the Independent Auditors' Report of even date to the members of **Parnax Lab Limited** on the standalone financial statements for the year ended on 31st March, 2022.

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets, in our opinion, the frequency of verification is reasonable considering to the size of the Company and the nature of its assets. Physical verification of the assets has been carried out during the year pursuant to the programme in that respect. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) Based on the examination of the registered sale deed / transfer deed / conveyance deed property tax receipts and lease agreement provided to us, we report that, the title deeds of all the immovable properties, (other than those that have been taken on lease) disclosed in the financial statements included in property, plant equipment, are held in the name of the Company as at the balance sheet date. In respect of immovable properties that have been taken on lease and disclosed in the financial statements as non current assets held for sale as at the balance sheet date, the lease agreements are duly executed in favour of the Company, except for the following:

Description of property	As at the Balance sheet date		Held in the name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of Company *
	Gross carrying value	Net carrying value				
Plot No 74, Govt. Industrial Estate, Masat, Silvassa	19,47,330	19,47,330	Parnax Lab Private Limited	NA	The Company holds possession from date of Merger	Parnax Lab Private Limited and Naxpar Lab Private Limited merged with the Company vide merger order dated December 2, 2011, still not transferred in the name of Company
Plot No 121, Govt. Industrial Estate, Masat, Silvassa	21,07,400	21,07,400	Parnax Lab Private Limited	NA	The Company holds possession from date of Merger	
Plot No 120, Govt. Industrial Estate, Masat, Silvassa	15,16,180	15,16,180	Naxpar Lab Private Limited	NA	The Company holds possession from date of Merger	

(d) The Company has not revalued any of its Property, Plant and Equipment (including right of-use assets) and intangible assets during the year.

(e) In our opinion and according to the information and explanations given to us, neither any proceedings have been initiated during the year nor are pending as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988, as amended, and rules made thereunder. Accordingly, the provisions of clause 3(i)(e) of the Order are not applicable to the Company.

ii. (a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.

(b) According to the information and explanations given to us, at any point of time of the year, the Company has not been sanctioned any working capital facility from banks or financial institutions and hence reporting under clause (ii)(b) of the Order is not applicable.

iii. In respect of Investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties:

(a) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a) of the Order is not applicable.

(b) According to the information and explanations given to us, the investment made are in the ordinary course of business and accordingly not prejudicial to the Company's interest.

(c) The Company has not granted any loans or advances in the nature of loans during the year. Accordingly, clauses 3(iii)(c), (d), (e) and (f) of the Order are not applicable to the Company.

Iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 to the extent applicable. The Company has not made investment, provided any loans, guarantee and security during the year

v. According to the information and explanations given to us, the Company has not any accepted any deposit or amounts which are deemed to be deposits within the meaning of section 73 to 76 or any relevant provision of the Companies Act, 2013. Hence, reporting under clause 3(v) of the Order is not applicable.

vi. The Company is required to maintain cost records as per the provision of section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus, reporting under clause 3(vi) of the order is not applicable to the Company.

vii. In respect of statutory dues:

(a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputes are given below:

Name of Statute	Nature of the dues	Amount (in Lacs)	Period for which the amount relates (Assessment Year)	Forum where dispute is pending
Central Excise Act, 1944	Excise Duty & Penalty	5.50	April 2003 to March 2005	Commissioner (Appeals)
Central Excise Act, 1944	Excise Duty & Penalty	0.26	April 2003 to Jan. 2006	Commissioner (Appeals)
Central Excise Act, 1944	Excise Duty & Penalty	0.43	Oct. 2001 to Oct. 2003	Custom, Excise, Service Tax Appellate Tribunal
Central Excise Act, 1944	Excise Duty & Penalty	0.82	June 2001 to Feb 2003	Commissioner (Appeals)
Central Excise Act, 1944	Excise Duty & Penalty	56.16	Jan. 2005 to Dec. 2006	Commissioner (Appeals)

* includes interest and penalty as per demand orders.

Viii. According to the information and explanations given to us. there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, the provisions of clause 3(viii) of the order is not applicable to the Company.

ix. (a) Based on our audit procedures and on the basis of information and explanations given to us, we are of the opinion that the Company has not defaulted in the repayment of loans or other borrowings or in the repayment of interest thereon to the lenders. Accordingly, the provisions of clause 3(ix) of the order is not applicable to the Company.

(b) On the basis of information and explanations given to us, the Company has not been declared as willful defaulter by any bank or financial institution or other lender.

(c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(C) of the Order is not applicable.

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

(e) The Company has not made any investment in or given any new loan or advances to any of its subsidiaries, associates or joint ventures during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.

(f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.

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

(b) The Company has made preferential allotment of warrants /shares during the year. For such allotment of warrants / shares, the Company has complied with the requirements of Section 42 and 62 of the Companies Act, 2013, and the funds raised have been, prima facie, applied by the Company during the year for the purposes for which the funds were raised, other than temporary deployment pending application. The Company has not made any preferential allotment or private placement of (fully or partly or optionally) convertible debentures during the year.

xi. (a) To the best of our knowledge and according to the information and explanation given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

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

(c) Based on our audit procedure performed and according to the information and explanations given to us, no whistle blower complaints were received by the Company during the year. Accordingly, the provisions of clause 3(xi)(d) of the Order are not applicable to the Company.

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

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

xiv. (a) In our opinion and based on our examination, the company has an adequate internal audit system commensurate with the size and nature of its business.

(b) We have considered, the internal audit reports issued to the Company till the date of the audit report.

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

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

(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii. The Company has not incurred any cash losses in the financial year covered by our audit but had incurred cash losses amounting to Rs. 120.97 Lakhs in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors of the Company during the year. Accordingly reporting under clause 3(xviii) of the Order is not applicable to the Company

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

xx. The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

For C. N. Patel & Co.
Chartered Accountants
Firm's Registration No. : 112552W

Sd/-

CA Manish Mandhana
Partner
M. No. : 112026
Place : Mumbai
Dated : 30th May, 2022
UDIN : 22112026AJXHFU1308

Annexure B to Independent Auditor's Report

Referred to as 'Annexure B' in paragraph 18(f) of the Independent Auditors' Report of even date to the members of **Parnax Lab Limited** on the standalone financial statements for the year ended on 31st March, 2022.

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

8. In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For C. N. Patel & Co.
Chartered Accountants
Firm's Registration No. : 112552W

Sd/-

CA Manish Mandhana
Partner
M. No. : 112026
Place : Mumbai
Dated : 30th May, 2022
UDIN : 22112026AJXHFU1308

Standalone Balance Sheet as at 31st March, 2022

(All amounts in ₹ '000, unless otherwise stated)

	Particulars	Note No.	As at 31st March, 2022	As at 31st March, 2021
I	**ASSETS**			
	1. Non - Current Assets			
	(a) Property, plant and equipment	2	4,416.18	4,862.96
	(b) Intangible assets	3	5.85	5.85
	(c) Investments in subsidiaries	4	99,800.00	99,800.00
	(d) Financial assets			
	(i) Investments	5	895.48	895.48
	(ii) Other financial assets	6	494.40	892.60
	(e) Deferred tax asset (net)	31	10,755.74	13,066.92
			1,16,367.64	**1,19,523.81**
	2. Current Assets			
	(a) Inventories	7	7,948.73	5,798.60
	(b) Financial assets			
	(i) Trade Receivable	8	18,593.94	4,325.90
	(ii) Cash and Cash Equivalents	9	43,329.34	1,017.19
	(iii) Bank balances other than (ii) above	10	134.54	126.98
	(iv) Loans	11	569.06	326.06
	(c) Current tax assets(net)		15.37	3.22
	(d) Other current assets	12	10,967.78	7,874.19
			81,558.76	**19,472.14**
	3. Assets classified as held for disposal	13	37,405.13	37,405.13
	TOTAL ASSETS		**2,35,331.53**	**1,76,401.08**
II	**EQUITY AND LIABILITIES**			
	1. Equity			
	(a) Share Capital	14	98,148.66	85,048.66
	(b) Other equity	15	29,346.14	(37,909.11)
			1,27,494.80	**47,139.55**
	2. Liabilities			
	Non-Current liabilities			
	(a) Financial Liabilities			
	(i) Long term borrowings	16	11,473.94	18,896.88
	(b) Long term provisions	17	76.23	68.99
			11,550.18	**18,965.88**
	Current Liabilities			
	(a) Financial Liabilities			
	(i) Short term borrowings	18	80,484.94	95,248.28
	(ii) Trade Payables	19		
	- Total outstanding dues of micro enterprises and small enterprises		10,911.23	7,741.40
	- Total outstanding dues of creditors other than micro enterprises and small enterprises		537.32	3,672.45
	(iii) Other financial Liabilities	20	3,687.48	3,072.72
	(b) Other current liabilities	21	599.18	530.09
	(c) Short Term Provision	22	66.41	30.72
			96,286.55	**1,10,295.66**
	TOTAL EQUITY AND LIABILITIES		**2,35,331.53**	**1,76,401.08**
	Significant Accounting Policies	1		

The accompanying notes are an integral part of these standalone financial statements

As per our report of even date

For C. N. Patel & Co.
Chartered Accountants
Firm's Registration No : 112552W

Sd/-

CA Manish Mandhana
Partner
M. No. 112026
Place : Mumbai
Date: 30th May, 2022

For and on behalf of the Board of Directors
of Parnax Lab Ltd.

Sd/-
Prakash M. Shah
Director & CEO
DIN 00440980

Sd/-
Baiju M. Shah
Managing Director & CFO
DIN 00440806

Sd/-
Preet Kukreja
Company Secretary

Standalone Statement of Profit and Loss for the year ended 31st March, 2022

(All amounts in ₹ '000, unless otherwise stated)

	Particulars	Note No.	For the year ended 31st March 2022	For the year ended 31st March 2021
I	Revenue from Operations (gross)	23	71,498.89	23,727.62
II	Other Income	24	1,615.95	651.48
III	**Total Revenue (I + II)**		**73,114.84**	**24,379.11**
IV	**Expenses**			
	Cost of Materials Consumed	25	19,032.09	2,839.17
	Purchase of Stock In Trade	26	14,828.26	11,741.73
	Employee Benefits Expenses	27	5,177.50	4,471.68
	Finance Costs	28	7,053.75	8,299.96
	Depreciation and Amortization Expense	29	446.78	439.56
	Other Expenses	30	18,778.20	9,123.46
	Total Expenses		**65,316.59**	**36,915.55**
V	**Profit / (Loss) before tax (III-IV)**		**7,798.25**	**(12,536.45)**
VI	**Tax Expense:**	31		
	(a) Current Tax		-	-
	(b) Deferred Tax (Asset) / Liability		2,383.22	(2,541.88)
	(c) Short (Excess) Prov for Tax for Earlier Years		-	1,328.62
	Total Tax Expense (VI)		**2,383.22**	**(1,213.26)**
VII	**Profit / (Loss) after tax (V-VI)**		**5,415.03**	**(11,323.18)**
VIII	**Other Comprehensive Income**			
	A.(i) Items that will not be reclassified to profit & loss			
	Remeasurements of post-employment benefit obligations		(286.22)	306.27
	(ii) Income tax relating to items that will not be reclassified to profit or loss		72.04	(77.08)
	Total Other Comprehensive income		**(214.19)**	**229.19**
	TOTAL COMPREHENSIVE INCOME FOR THE YEAR(VII+VIII)		**5,200.85**	**(11,093.99)**
IX.	**Earnings Per Equity Share of Rs.10/- each :**			
	Weighted average no. of shares (Basic & Diluted)	35	85,12,044	85,04,866
	Basic & Diluted Earnings Per Share (Rs.)		0.64	(1.33)
	Significant Accounting Policies	**1**		

The accompanying notes are an integral part of these standalone financial statements

As per our report of even date

For C. N. Patel & Co.
Chartered Accountants
Firm's Registration No : 112552W

Sd/-

CA Manish Mandhana
Partner
M. No. 112026
Place : Mumbai
Date: 30th May, 2022

For and on behalf of the Board of Directors of Parnax Lab Ltd.

Sd/-
Prakash M. Shah
Director & CEO
DIN 00440980

Sd/-
Baiju M. Shah
Managing Director & CFO
DIN 00440806

Sd/-
Preet Kukreja
Company Secretary

Standalone Cash Flow Statement for the year ended 31st March, 2022

(All amounts in ₹ '000, unless otherwise stated)

	Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit/(Loss) before tax	7,798.25	(12,536.45)
	Adjustments for		
	Depreciation	446.78	439.56
	Finance Cost	7,053.75	8,299.96
	Loss on sale of fixed asset	-	-
	Sundry Balances written off	718.52	(141.56)
	Interest & Dividend income	(7.55)	(7.19)
	Operating Loss Before Working Capital Adjustments	**16,009.75**	**(3,945.67)**
	Changes in Working Capital		
	Adjustments for (increase) / decrease in operating assets:		
	Inventories	(2,150.14)	(4,293.97)
	Trade receivables	(14,268.04)	16,303.79
	Other assets (Financials and Non Financial assets)	(2,938.39)	(1,255.17)
	Adjustments for increase / (decrease) in operating liabilities:		
	Trade payables	(683.82)	1,153.76
	Other liabilities (Financials and Non Financial liabilities)	440.56	(3,249.25)
	Cash generated from operations	**(3,590.08)**	**4,713.50**
	Direct Tax Paid (Refund) [Net]	12.15	3.22
	Net cash flow from / (used in) operating activities (A)	**(3,602.22)**	**4,710.28**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Expenditure on asset held for diposal	-	-
	Proceeds from sale of fixed assets	-	-
	Proceeds/(Purchase) from sale of Non Current Investments	(7.55)	(7.19)
	Interest & Dividend income	7.55	7.19
	Net cash flow from / (used in) investing activities (B)	**-**	**-**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from Issue of Shares, Warrants	75,154.41	-
	Proceeds from long-term borrowings (net)	(7,422.94)	(8,815.41)
	Proceeds from Short-term borrowings (net)	(14,763.34)	12,343.10
	Finance Cost	(7,053.75)	(8,299.96)
	Net cash flow from / (used in) financing activities (C)	**45,914.37**	**(4,772.27)**
	Net increase (decrease) in cash and cash equivalents (A+B+C)	**42,312.15**	**(61.99)**
	Cash and cash equivalents at the beginning of the year	**1,017.19**	**1,079.19**
	Cash and cash equivalents at the end of the year	**43,329.34**	**1,017.19**

As per our report of even date

For C. N. Patel & Co.
Chartered Accountants
Firm's Registration No : 112552W

Sd/-

CA Manish Mandhana
Partner
M. No. 112026
Place : Mumbai
Date: 30th May, 2022

For and on behalf of the Board of Directors
of Parnax Lab Ltd.

Sd/-
Prakash M. Shah
Director & CEO
DIN 00440980

Sd/-
Baiju M. Shah
Managing Director & CFO
DIN 00440806

Sd/-
Preet Kukreja
Company Secretary

Standalone Statement of Changes in Equity for the year ended 31st March, 2022

(All amounts in ₹ '000, unless otherwise stated)

(A) Equity Share Capital

	Amount
Balance as at April 01, 2020	**85,048.66**
Changes in share capital during the year	-
Balance as at March 31, 2021	**85,048.66**
Changes in share capital during the year	13,100.00
Balance as at March 31, 2022	**98,148.66**

(B) Other Equity

	Share Premium	General Reserve	Surplus in Statement of profit & loss	Accumulated other comprehensive income - Acturial Gains/(Losses)	Share Warrant	Total
Balance as at April 01, 2020	-	**63,665.78**	**(90,999.42)**	**518.52**	-	**(26,815.12)**
Profit/(Loss) for the year	-	-	(11,323.18)	-	-	(11,323.18)
Other comprehensive income for the year	-	-	-	229.19	-	229.19
Amortisation of land transfer to asset held for disposal	-	-	-	-	-	-
Balance as at March 31, 2021	-	**63,665.78**	**(1,02,322.61)**	**747.71**	-	**(37,909.11)**
Profit/(Loss) for the year	-	-	5,415.03	-	-	5,415.03
Amount received during the year	43,885.00	-	-	-	75,154.41	1,19,039.41
Transferred on Issue of shares during the year	-	-	-	-	(56,985.00)	(56,985.00)
Other comprehensive income for the year	-	-	-	(214.19)	-	(214.19)
Amortisation of land transfer to asset held for disposal	-	-	-	-	-	-
Balance as at March 31, 2022	**43,885.00**	**63,665.78**	**(96,907.57)**	**533.52**	**18,169.41**	**29,346.14**

The accompanying notes are an integral part of these financial statements

As per our report of even date

For C. N. Patel & Co.
Chartered Accountants
Firm's Registration No : 112552W

Sd/-

CA Manish Mandhana
Partner
M. No. 112026
Place : Mumbai
Date: 30th May, 2022

For and on behalf of the Board of Directors of Parnax Lab Ltd.

Sd/-
Prakash M. Shah
Director & CEO
DIN 00440980

Sd/-
Baiju M. Shah
Managing Director & CFO
DIN 00440806

Sd/-
Preet Kukreja
Company Secretary

Notes to Standalone Financial Statements for the year ended 31st March, 2022

Note - 1

A. CORPORATE INFORMATION:

Parnax Lab Limited is a public company incorporated under the provisions of the Companies Act, 1956. The Company is principally engaged in the business activities of manufacturing and export of Pharmaceutical Formulations.

B. SIGNIFICANT ACCOUNTING POLICIES:SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Preparation of Financial Statements:

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting standards) Rules as amended from time to time and other related provisions of the Act.

The financial statements of the Company are prepared on the accrual basis of accounting and Historical cost convention except for the following material items that have been measured at fair value as required by the relevant Ind AS:

(i) Certain financial assets and liabilities are measured at Fair value (Refer note no. 7)

(ii) Defined benefit employee plan (Refer note no. 13)

The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

The financial statements are presented in INR, the functional currency of the Company.

2. Use of Estimates and judgments:

The preparation of the financial statements requires the Management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates. The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the management and are based on historical experience and various other assumptions and factors (including expectations of future events) that the management believes to be reasonable under the existing circumstances. Actual results may differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

Critical accounting judgements and key source of estimation uncertainty

The Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an on-going basis.

(a) Recognition and measurement of defined benefit obligations, key actuarial assumptions - Note no. - 13

(b) Estimation of current tax expenses and payable - Refer note no. - 14

3. Property, plant and equipment (PPE)

Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable costs of bringing the asset to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate only if it is probable that the future economic benefits associated with the item will flow to the Company and that the cost of the item can be reliably measured.

Notes to Standalone Financial Statements for the year ended 31st March, 2022

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as **"Capital work in progress".**

4. Intangible assets

Intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

An intangible asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Gains / losses arising from disposal are recognised in the Statement of Profit and Loss.

Any expected loss is recognized immediately in the Statement of Profit and Loss.

Intangible assets that are ready for use are amortized on a straight line basis.

5. Depreciation and Amortization:

(a) Property plant and equipment (PPE)

Depreciation is provided on a pro-rata basis on the straight line method based on estimated useful life prescribed under Schedule II to the Companies Act, 2013.

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

(b) Intangible assets

The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortized on a straight-line basis over the period of their expected useful lives. The amortization period and the amortization method for finite life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate. For indefinite life intangible assets, the assessment of indefinite life is reviewed annually to determine whether it continues, if not, it is impaired or changed prospectively basis revised estimates.

6. Investment Properties:

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured at its cost, including related transaction costs and where applicable borrowing costs less depreciation and impairment if any.

Depreciation on building is provided based on straight line method using the useful life as specified in schedule II of the Companies Act, 2013 .

7. Financial Instruments:

Financial assets - Initial recognition:

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instruments.On initial recognition, a financial asset is recognised at fair value, in case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

Subsequent measurement:

Financial assets are subsequently classified as measured at:

- amortised cost
- fair value through profit & loss (FVTPL)
- fair value through other comprehensive income (FVTOCI)

The above classification is being determined considering the:

(a) the entity's business model for managing the financial assets and

(b) the contractual cash flow characteristics of the financial asset.

Financial assets are not reclassified subsequent to their recognition, except if and in the period the company changes its business model for managing financial assets.

(i) Measured at amortised cost:

Financial assets are subsequently measured at amortised cost, if these financial assets are held within a business module whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Measured at fair value through other comprehensive income (FVTOCI):

Financial assets are measured at FVTOCI, if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss.

(iii) Measured at fair value through profit or loss (FVTPL):

Financial assets other than equity instrument are measured at FVTPL unless it is measured at amortised cost or at FVTOCI on initial recognition. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised in the Statement of Profit and Loss.

Equity instruments:

On initial recognition, the Company can make an irrevocable election (on an instrument by instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to Statement of Profit and Loss on disposal of the investments.

Dividends on these investments in equity instruments are recognised in Statement of Profit and Loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in Statement of Profit and Loss are included in the 'Other income' line item.

Impairment

The Company recognises a loss allowance for Expected Credit Losses (ECL) on financial assets that are measured at amortised cost and at FVOCI. The credit loss is difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. This is assessed on an individual or collective basis after considering all reasonable and supportable including that which is forward looking.

The Company's trade receivables or contract revenue receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall, being simplified approach for recognition of impairment loss allowance.

Under simplified approach, the Company does not track changes in credit risk. Rather it recognizes impairment loss allowance based on the lifetime ECL at each reporting date right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Notes to Standalone Financial Statements for the year ended 31st March, 2022

For financial assets other than trade receivables, the Company recognises 12–months expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. If, in a subsequent period, credit quality of the instrument improves such that there is no longer significant increase in credit risks since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12 months ECL. The impairment losses and reversals are recognised in Statement of Profit and Loss. For equity instruments and financial assets measured at FVTPL, there is no requirement of impairment testing.

Derecognition

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

Financial Liabilities

Initial Recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial liabilities are initially recognised at fair value net of transaction costs for all financial liabilities not carried at fair value through profit or loss.

The Company's financial liabilities includes trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

Financial liabilities measured at amortised cost are subsequently measured at using EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

Loans & Borrowings:

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

Financial Guarantee Contracts

Financial guarantee contracts issued by the Company are those contracts that requires a payment to be made or to reimburse the holder for a loss it incurs because the specified debtors fails to make payment when due in accordance with the term of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Derivative financial instruments The Company uses derivative financial instruments, such as forward foreign exchange contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value, with changes in fair value recognised in Statement of Profit and Loss.

Offsetting of 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.

8. Fair Value Measurement

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

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

(i) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

(ii) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

(iii) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above

9. Inventory

Inventories are valued at the lower of cost and net realisable value. Cost is computed on a First-in First-Out (FIFO). Cost of finished goods and work-in-progress include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

10. Cash and Cash Equivalents:

Cash and Cash equivalents include cash and Cheque in hand, bank balances, demand deposits with banks and other short-term highly liquid investments that are readily convertible to known amounts of cash & which are subject to an insignificant risk of changes in value where original maturity is three months or less.

11. Foreign Currency Transactions:

a) Initial Recognition Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss of the year.

b) Measurement of Foreign Currency Items at the Balance Sheet DateForeign currency monetary items of the Company are restated at the closing exchange rates. Non monetary items are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising out of these transactions are charged to the Statement of Profit and Loss.

Notes to Standalone Financial Statements for the year ended 31st March, 2022

12. **Revenue Recognition:**

Revenue is measured at the value of the consideration received or receivable. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and specific criteria have been met for each of the Company's activities as described below.

Sale of Goods

Revenue from sale of goods is recognised when control of the goods is transferred are to the buyer as per the terms of the contract. 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. Sales are exclusive of Goods and Service Tax (GST).

Rendering of Services

Income from services rendered is recognised based on agreements/ arrangements with the customers as the service is performed/rendered.

Export Incentives

Export incentives received pursuant to the Duty Drawback Scheme and Merchandise Export from India Scheme (MEIS) are accounted on an accrual basis, to the extent it is probable that realization is certain.

Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable and based on Effective interest rate method.

Dividend

Dividend Income is recognized when right to receive the same is established.

13. **Employee Benefits:**

The Company provides following post-employment plans:

(a) Defined benefit plans such as gratuity and

(b) Defined contribution plans such as Provident fund & Superannuation fund

a) Defined-benefit plan:

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

The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

(a) Service costs comprising current service costs, past-service costs, gains and losses on curtailment and non-routine settlements; and

(b) Net interest expense or income

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

Re-measurement comprising of actuarial gains and losses arising from

(a) Re-measurement of Actuarial(gains)/losses

(b) Return on plan assets, excluding amount recognized in effect of asset ceiling

(c) Re-measurement arising because of change in effect of asset ceiling are recognised in the period in which they occur directly in Other comprehensive income. Re-measurement are not reclassified to profit or loss in subsequent periods.

Ind AS 19 requires the exercise of judgment in relation to various assumptions including future pay rises, inflation and discount rates and employee and pensioner demographics. The Company determines the assumptions in conjunction with its actuaries, and believes these assumptions to be in line with best practice, but the application of different assumptions could have a significant effect on the amounts reflected in the income statement, other comprehensive income and balance sheet. There may be also interdependency between some of the assumptions.

b) Defined-contribution plan: Under defined contribution plans, provident fund, the Company pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. Defined Contribution plan comprise of contributions to the employees' provident fund with the government, superannuation fund and certain state plans like Employees' State Insurance and Employees' Pension Scheme. The Company's payments to the defined contribution plans are recognised as expenses during the period in which the employees perform the services that the payment covers.

(c) Other employee benefits: (a) Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the obligation as at the Balance sheet date determined based on an actuarial valuation.

(b) Undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the period when the employee renders the related services.

14. Taxes on Income:

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

Current tax is based on taxable profit for the year. Taxable profit is different from accounting profit due to temporary differences between accounting and tax treatments, and due to items that are never taxable or tax deductible. Tax provisions are included in current liabilities. Interest and penalties on tax liabilities are provided for in the tax charge. The Company offsets, the current tax assets and liabilities (on a year on year basis) where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis or to realise the assets and liabilities on net basis.

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements. Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred tax assets are not recognised where it is more likely than not that the assets will not be realised in the future.

The carrying amount of deferred income 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 income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Minimum Alternative Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified period. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income-tax during the specified period.

15. Borrowing Cost:

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as a part of Cost of that assets, during the period till all the activities necessary to prepare the Qualifying assets for its intended use or sale are complete during the period of time that is required to complete and prepare the assets 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 recognized as an expense in the period in which they are incurred.

Notes to Standalone Financial Statements for the year ended 31st March, 2022

16. Earnings Per Share:

Basic earnings per shares are calculated by dividing the net profit or loss after tax for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to the equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

17. Assets held for disposal

The Company classifies non-current assets as held for sale if their current carrying amounts will be recovered principally through a sale rather than through continuing use. Such non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less cost to sell. Any expected loss is recognised immediately on statement of profit & loss.

Property, plant & equipment once classified as held for sale are are not depreciated ot amortised. Assets and liabilities classified as held for sale are presented separately as current items in the balance sheets.

18. Leases:

Leases Effective April 1, 2019, the Company has adopted Ind AS 116 “Leases” and applied to all lease contracts existing on the date of initial application, using the modified retrospective method along with transition option to recognise right-of-use assets (RoU) at an amount equal to the lease liability.

The Company as lessor

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the period in which such benefits accrue.

The Company did not make any adjustments to the accounting for assets held as a lessor as a result of adopting the new lease standard.

The Company as lessee

The Company assesses whether a contract contains a lease, at inception of a contract. At the date of commencement of the lease, the Company recognises a 'right-of-use' asset and a corresponding liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Right-of-use asset are measured at cost comprising the following:

- the amount of initial measurement of liability.
- any lease payments made at or before the commencement date less the incentives received.
- any initial direct costs, and
- restoration costs.

They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use asset are depreciated over the shorter of asset's useful life and the lease term on a straight-line basis. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

Lease liabilities measured at amortised cost include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date

Notes to Standalone Financial Statements for the year ended 31st March, 2022

- amounts expected to be payable by the Company under residual value guarantees

- the exercise price of purchase option if the Company is reasonably certain to exercise that option, and

- payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the rate of interest implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lesse's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in the similar economic environment with similar terms, security and conditions.

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract in accordance with Ind AS 116 and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in the statement of profit and loss, unless they are directly attributable to qualifying assets. Variable lease payments are recognised in the statement of profit and loss in the period in which the condition that triggers those payments that occur.

19. Provisions, Contingent Liabilities and Contingent Assets:

A provision is recognised if, as a result of a past event, the group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources or an obligation for which the future outcome cannot be ascertained with reasonable certainty. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are neither recognized nor disclosed in financial statements.

Notes to Standalone Financial Statements for the year ended 31st March, 2022
(All amounts in ₹ '000, unless otherwise stated)

Note 2 : Property, plant & equipments

Particulars	Office Premises	Furniture	Motor Car	Computer	Office Equipments	Air Conditioner	Total
Gross carrying amount							
Balance as at April 01, 2020 (refer (2) below)	**5,401.47**	**153.95**	**1,715.38**	**98.19**	**210.73**	**1,106.00**	**8,685.73**
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Transferred to assets held for disposal	-	-	-	-	-	-	-
Balance as at March 31, 2021	**5,401.47**	**153.95**	**1,715.38**	**98.19**	**210.73**	**1,106.00**	**8,685.73**
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Transferred to assets held for disposal	-	-	-	-	-	-	-
Balance as at March 31, 2022	**5,401.47**	**153.95**	**1,715.38**	**98.19**	**210.73**	**1,106.00**	**8,685.73**
Accumulated depreciation/Amortisation							
Balance as at April 01, 2020	**1,253.15**	**120.92**	**1,336.65**	**36.73**	**125.75**	**510.02**	**3,383.21**
Depreciation/Amortisation charge for the year	334.99	13.03	-	-	-	91.54	439.56
Disposals	-	-	-	-	-	-	-
Transferred to assets held for disposal	-	-	-	-	-	-	-
Accumulated depreciation as at March 31, 2021	**1,588.14**	**133.94**	**1,336.65**	**36.73**	**125.75**	**601.56**	**3,822.77**
Depreciation/Amortisation charge for the year	372.93	-	-	-	-	73.85	446.78
Disposals	-	-	-	-	-	-	-
Transferred to assets held for disposal	-	-	-	-	-	-	-
Accumulated depreciation as at March 31, 2022	**1,961.07**	**133.94**	**1,336.65**	**36.73**	**125.75**	**675.40**	**4,269.54**
Net carrying amount as at March 31, 2021	**3,813.33**	**20.01**	**378.73**	**61.46**	**84.99**	**504.44**	**4,862.96**
Net carrying amount as at March 31, 2022	**3,440.40**	**20.01**	**378.73**	**61.46**	**84.99**	**430.60**	**4,416.18**

Note:
1. Refer note no. 34 for disclosure on contractual commitments for the acquisition of property, plant and equipment.
2. The Company has availed the deemed cost exemption in relation to the property, plant and equipment on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date.

Notes to Standalone Financial Statements for the year ended 31st March, 2022
(All amounts in ₹ '000, unless otherwise stated)

Note 3 : Intangible assets

Particulars	Software	Total
Gross carrying amount		
Balance as at April 01, 2020	**63.59**	**63.59**
Additions	-	-
Disposals	-	-
Balance as at March 31, 2021	**63.59**	**63.59**
Additions	-	-
Disposals	-	-
Balance as at March 31, 2022	**63.59**	**63.59**

Accumulated depreciation/Amortisation

Particulars	Software	Total
Balance as at April 01, 2020	**57.74**	**57.74**
Depreciation/Amortisation charge for the year	-	-
Disposals	-	-
Accumulated depreciation as at March 31, 2021	**57.74**	**57.74**
Depreciation/Amortisation charge for the year	-	-
Disposals	-	-
Accumulated depreciation as at March 31, 2022	**57.74**	**57.74**

Particulars	Software	Total
Net carrying amount as at March 31, 2021	**5.85**	**5.85**
Net carrying amount as at March 31, 2022	**5.85**	**5.85**

Note 4 : Investments in Subsidiaries

Particulars	As at 31st March, 2022	As at 31st March, 2021
Investment in Equity instruments - Subsidiaries - Carried at Cost **Unquoted, fully paid up**		
49,90,000 (As at March 31, 2021 - 49,90,000) Equity Share of Rs. 10/- each of Naxpar Pharma Pvt. Ltd.	99,800.00	99,800.00
Total	**99,800.00**	**99,800.00**
Aggregate amount of unquoted investments before impairment	99,800.00	99,800.00
Aggregate amount of impairment in the value of investment	-	-

Notes to Standalone Financial Statements for the year ended 31st March, 2022
(All amounts in ₹ '000, unless otherwise stated)

Note 5 : Non-Current Investments

Particulars	As at 31st March, 2022	As at 31st March, 2021
Other Equity instruments, at fair value through profit & loss		
Unquoted, fully paid-up		
The Shamrao Vithal Co-op. Bank Ltd. (319 Shares of Rs. 25/- each)	7.98	7.98
Apna Sahakari Bank Ltd (20,000 Shares of Rs. 25/- each)	500.00	500.00
Maratha Sahakari Bank Ltd. (15,500 Shares of Rs. 25/- each)	387.50	387.50
Total	**895.48**	**895.48**
Aggregate amount of Unquoted investments at cost	895.48	895.48
Aggregate amount of impairment in the value of investment	-	-

Note 6 : Other financial assets (Non-Current)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unsecured, Considered good		
Security Deposit	24.80	534.30
Provision for Gratuity	469.60	358.30
Total	**494.40**	**892.60**

Note 7 : Inventories

Particulars	As at 31st March, 2022	As at 31st March, 2021
(As taken, valued and certified by the Management)		
(Valued at Cost or Market value, whichever is lower)		
Raw Material	2,310.29	2,021.76
Packing Material	1,644.88	3,776.84
Finished goods	3,993.57	-
Total	**7,948.73**	**5,798.60**

Note: Inventory write downs are accounted, considering the nature of inventory, ageing, liquidation plan and net realisable value.

Note 8 : Trade Receivable

Particulars	As at 31st March, 2022	As at 31st March, 2021
Receivables - Unsecured ,Considered good	18,593.94	4,325.90
Receivables - credit impaired	37,919.46	36,681.08
Less : Allowance for expected credit loss	(37,919.46)	(36,681.08)
Total	**18,593.94**	**4,325.90**

Notes to Standalone Financial Statements for the year ended 31st March, 2022
(All amounts in ₹ '000, unless otherwise stated)

Trade receivable ageing schedule for the year ended on 31 March, 2022

Particulars	Outstanding for the following periods from the due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables - considered good	17,297.70	656.24	640.00	-	-	18,593.94
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables - Credit impaired	-	-	229.23	442.73	37,247.49	37,919.46
Disputed Trade Receivables - Considered good	-	-	-	-	-	-
Disputed Trade Receivables - which have significant	-	-	-	-	-	-
Total	**17,297.70**	**656.24**	**869.24**	**442.73**	**37,247.49**	**56,513.40**
Less : Allowance for expected credit loss			229.23	442.73	37,247.49	37,919.46
Total trade receivable	**17,297.70**	**656.24**	**640.00**	**-**	**-**	**18,593.94**

Trade receivable ageing schedule for the year ended on 31 March, 2021

Particulars	Outstanding for the following periods from the due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables - considered good	2,159.03	1,154.46	446.01	409.46	156.95	4,325.90
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables - Credit impaired	-	-		-	36,681.08	36,681.08
Disputed Trade Receivables - Considered good	-	-	-	-	-	-
Disputed Trade Receivables - which have significant	-	-	-	-	-	-
Total	**2,159.03**	**1,154.46**	**446.01**	**409.46**	**36,838.03**	**41,006.98**
Less : Allowance for expected credit loss	-	-	-	-	36,681.08	36,681.08
Total trade receivable	2,159.03	1,154.46	446.01	409.46	156.95	4,325.90

Note 9 : Cash and Cash Equivalents

Particulars	As at 31st March, 2022	As at 31st March, 2021
(a) Cash on Hand	13.45	55.08
(b) Balance with Scheduled Banks		
- In Current Accounts	43,315.90	962.12
Total	**43,329.34**	**1,017.19**

Notes to Standalone Financial Statements for the year ended 31st March, 2022
(All amounts in ₹ '000, unless otherwise stated)

Note 10 : Bank balances other than cash & cash equivalents

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balance with Scheduled Banks		
- In Fixed Deposit Account	134.54	126.98
(Lodged as margin money against bank guarantee)		
Total	**134.54**	**126.98**

Note 11 : Loans

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unsecured, considered good		
Loans and Advances to Employees	569.06	326.06
Total	**569.06**	**326.06**

Note 12 : Other current assets

Particulars	As at 31st March, 2022	As at 31st March, 2021
Advances recoverable in cash or in kind or for value to be received	2,943.26	3,398.35
Advance to Supplier	1,155.34	1,127.62
Balance with Government Authorities		
Balance with GST	2,707.39	1,540.34
GST Refund Receivable	4,161.79	1,661.50
Sales Tax	-	146.38
Total	**10,967.78**	**7,874.19**

Note 13 : Assets classified as held for sale

Particulars	As at 31st March, 2022	As at 31st March, 2021
Land	5,570.91	5,570.91
Other Property, Plant & Equipments	31,834.22	31,834.22
Less: Impairment of assets classified as held for sale	-	-
Total	**37,405.13**	**37,405.13**

Note:

The Company intends to dispose off its certain of property, plant & equipment as it no longer intends to utilise in the next 12 months. It was previously used in its manufacturing facility at Silvassa.

An impairment loss has been recognised on reclassification of the Plant, Property & equipment as held for sale and the Company expects to realise fair value less cost to sell to be higher than carrying amount.

An active program to locate the buyer and to complete the sale has already been initiated.

Notes to Standalone Financial Statements for the year ended 31st March, 2022
(All amounts in ₹ '000, unless otherwise stated)

Note 14 : Share Capital

Particulars	As at 31st March, 2022	As at 31st March, 2021
Authorised: 1,30,00,000 (100,00,000) Equity Shares of Rs. 10/- each	1,30,000.00	1,00,000.00
Total	1,30,000.00	1,00,000.00
Issued, Subscribed and Paid up: 98,14,866 (85,04,866) Equity Shares of Rs.10/- each fully paid up (of the above 53,04,866 shares of Rs. 10/- each were issue at the time of scheme of amalgamation)	98,148.66	85,048.66
Total	**98,148.66**	**85,048.66**
(i) Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period :		
Number of shares at the beginning of the year	85,04,866	85,04,866
Add: Issued during the year	13,10,000	-
Number of shares at the end of the year	98,14,866	85,04,866

(ii) On March 22, 2022, the Company allotted 29,80,750 Warrants convertible into 29,80,750 Equity shares at a price (including the warrant subscription price and the warrant exercise price) of Rs. 43.50/- each, aggregating up to Rs. 12,96,62,625/- on a preferential basis to Promoters of the Company (Preferential Issue). The Company received the subscription money of Rs. 3,24,15,657/- for allotment of 29,80,750 Warrants convertible into Equity Shares, being 25% of the Issue price of Rs. 43.50/- of the Warrants at Rs. 10.875/- per Warrant, towards the warrant subscription price. The entire proceeds have been utilised for the objects of the Preferential Issue.

(iii) On March 30, 2022, the Company allotted 13,10,000 Equity Shares of face value of Rs. 10/- each fully paid up issued at a premium of Rs. 33.50/- per equity share to Promoters of the Company upon exercise of option of conversion of 13,10,000 Warrants by the Promoters. The Issue Price of the Warrant was Rs. 43.50/- per warrant of which 25% was paid by the Promoters on subscription of warrants on March 22, 2022 and the balance 75% i.e. Rs. 32.625/- per warrant being the Warrant Exercise Price was paid by the Promoters. The entire proceeds have been utilised for the objects of the Preferential Issue. Pursuant to allotment of the Equity Shares in the Preferential Issue, the paid-up share capital of the Company stood increased on March 30, 2022 from Rs. 8,50,48,660/- to Rs. 9,81,48,660/- comprising of 98,14,866 equity shares of face value of Rs. 10/- each and securities premium reserve by Rs. 4,38,85,000/-.

(iv) Terms/rights attached to Equity Shares

The Company has only one class of equity shares having a par value of Rs. 10 per shares. Each holder of Equity Shares is entitled to one vote per share. 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.

(v) Detail of shares held by the holding company, the ultimate holding company, their subsidiaries and associates :	Nil	Nil

(vi) Details of Shares held by each shareholder holding more than 5% shares :

Name of Shareholder	As at 31st March, 2022		As at 31st March, 2021	
	No. of Shares	%	No. of Shares	%
Baiju Shah	8,90,261	9.07%	6,28,261	7.39%
Binoy Shah	13,69,600	13.95%	13,69,600	16.10%
Ila Shah	9,22,872	9.40%	6,60,872	7.77%
Mihir Shah	11,41,250	11.63%	11,41,250	13.42%
Pragna Shah	8,01,887	8.17%	5,39,887	6.35%
Prakash Shah	9,37,426	9.55%	6,75,426	7.94%
Ami Shah	5,69,720	5.80%	-	-

Notes to Standalone Financial Statements for the year ended 31st March, 2022
(All amounts in ₹ '000, unless otherwise stated)

(vii) Details of shares held by promoters

Shares held as at 31 March, 2022

Name of Promoter	No of shares at beginning of the year	Change during the year	No of shares at end of the year	% of total shares	% Change during the year
Baiju Shah	6,28,261	2,62,000	8,90,261	9.07%	41.70%
Binoy Shah	13,69,600	-	13,69,600	13.95%	-
Ila Shah	6,60,872	2,62,000	9,22,872	9.40%	39.64%
Mihir Shah	11,41,250	-	11,41,250	11.63%	-
Pragna Shah	5,39,887	2,62,000	8,01,887	8.17%	48.53%
Prakash Shah	6,75,426	2,62,000	9,37,426	9.55%	38.79%
Ami Shah	3,07,720	2,62,000	5,69,720	5.80%	85.14%

Shares held as at 31 March, 2021

Name of Promoter	No of shares at beginning of the year	Change during the year	No of shares at end of the year	% of total shares	% Change during the year
Baiju Shah	6,28,261	-	6,28,261	7.39%	-
Binoy Shah	13,69,600	-	13,69,600	16.10%	-
Ila Shah	6,60,872	-	6,60,872	7.77%	-
Mihir Shah	11,41,250	-	11,41,250	13.42%	-
Pragna Shah	5,39,887	-	5,39,887	6.35%	-
Prakash Shah	6,75,426	-	6,75,426	7.94%	-
Ami Shah	3,07,720	-	3,07,720	3.62%	-

Note 15 : Reserves & Surplus

Particulars	As at 31st March, 2022	As at 31st March, 2021
Share Premium	43,885.00	-
General Reserve	63,665.78	63,665.78
Surplus in Statement of profit & loss	(96,907.57)	(1,02,322.60)
Accumulated other comprehensive income - Actuarial Gains/(Losses)	533.52	747.71
Money Received Against Share Warrant	18,169.41	-
Total	**29,346.14**	**(37,909.11)**

Notes to Standalone Financial Statements for the year ended 31st March, 2022
(All amounts in ₹ '000, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
A) Share Premium Account		
Opening Balance	-	-
Add: Transferred on Issue of shares during the year	43,885.00	-
Closing Balance	43,885.00	-
A) General Reserve Account		
Opening Balance	63,665.78	63,665.78
Add: Transferred from surplus in Statement of Profit and Loss	-	-
Closing Balance	63,665.78	63,665.78
B) Surplus / (Deficit) in Statement of Profit and Loss		
Opening Balance	(1,02,322.60)	(90,999.42)
Add/(Less): profit/(loss) for the year	5,415.03	(11,323.18)
Add/(Less): Amortisation of land transfer to asset held for disposal	-	-
Closing Balance	(96,907.57)	(1,02,322.60)
C) Money Received Against Share Warrant		
Opening Balance	-	-
Add: Amount Received during the year	75,154.41	-
Less : Transferred on Issue of shares during the year	(56,985.00)	
Closing Balance	18,169.41	-
D) Other Comprehensive income		
Opening Balance	747.71	518.52
Add/(Less): for the year	(214.19)	229.19
Closing balance	533.52	747.71
Total	**29,346.14**	**(37,909.11)**

Note 16 : Long Term Borrowings

Particulars	As at 31st March, 2022	As at 31st March, 2021
Secured		
Term Loans		
- From Banks	11,473.94	18,896.88
Total	**11,473.94**	**18,896.88**

Terms and Conditions

a) Term loan from Apna Sahakari Bank Ltd is secured mortgage of office premises situated at Building No 8, Jogani Industrial Complex, Chunabhatti, Mumbai

b) Repayment Profile of Term Loans is as set out below:

Nature of Loan	Rate of Interest (%)	Balance No of Installments	Installments ending on
Apna Sahakari Bank Ltd	10.25	31.00	October 2024

Notes to Standalone Financial Statements for the year ended 31st March, 2022
(All amounts in ₹ '000, unless otherwise stated)

Note 17 - Long Term Provisions

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provision for Gratuity	-	-
Provision for Leave Encashment	76.23	68.99
Total	**76.23**	**68.99**

Note 18 : Short Term Borrowing

Particulars	As at 31st March, 2022	As at 31st March, 2021
Current Maturities of Long Term Debts	7,419.53	7,423.78
Unsecured		
From Directors, Payable on demand	73,065.41	87,824.50
Total	**80,484.94**	**95,248.28**

Note 19 : Trade Payables

Particulars	As at 31st March, 2022	As at 31st March, 2021
Trade Payables:		
Total outstanding dues of micro enterprises and small enterprises*	10,911.23	7,741.40
Total outstanding dues of creditors other than micro enterprises and small enterprises	537.32	3,672.45
Total	**11,448.55**	**11,413.85**

*The Management has identified enterrpises which have provided goods and services to the Company and which qualify under the definition of micro and small medium Enterprises Development Act, 2006. accordingly, the disclosure in respect of amounts payable to such enterprises as at March 31, 2022 and March 31, 2021 a has been made in the financial statements based on the information received and available with the Company.

Particulars	As at 31st March, 2022	As at 31st March, 2021
(a) Amount remaining unpaid to any supplier at the end of each accounting year/ period:		
Principal	10,911.23	7,741.40
Interest	-	-
Total	**10,911.23**	**7,741.40**
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.	-	-

Notes to Standalone Financial Statements for the year ended 31st March, 2022
(All amounts in ₹ '000, unless otherwise stated)

Trade payables ageing schedule for the year ended on 31 March, 2022

Particulars	Not due	Outstanding for the following periods from the due date of payment				
		6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	1,224.85	9,686.38	-	-	-	10,911.23
Others	116.12	421.20	-	-	-	537.32
Total	**1,340.97**	**10,107.58**	**-**	**-**	**-**	**11,448.55**

Trade payables ageing schedule for the year ended on 31 March, 2021

Particulars	Not due	Outstanding for the following periods from the due date of payment				
		6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	2,760.34	4,981.05	-	-	-	7,741.40
Others	3,550.22	122.23	-	-	-	3,672.45
Total	**6,310.57**	**5,103.28**	**-**	**-**	**-**	**11,413.85**

Note 20 : Other Financial Liabilities

Particulars	As at 31st March, 2022	As at 31st March, 2021
Other Payables:		
Sundry Creditors for Expenses	3,687.48	3,072.72
Total	**3,687.48**	**3,072.72**

Note 21 - Other current liabilities

Particulars	As at 31st March, 2022	As at 31st March, 2021
Statutory Remittances	551.08	510.13
Advances from Customers	48.10	19.96
Total	**599.18**	**530.09**

Note 22 - Short-Term Provision

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provision for Gratuity	63.23	27.87
Provision for Leave Encashment	3.18	2.85
Total	**66.41**	**30.72**

Notes to Standalone Financial Statements for the year ended 31st March, 2022
(All amounts in ₹ '000, unless otherwise stated)

Note 23 : Revenue from Operations

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Sale of Goods	71,498.89	23,727.62
Total	**71,498.89**	**23,727.62**

Note 24 : Other Income

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Interest Received on FDR	7.55	7.19
Interest Received on VAT Refund	7.35	-
Duty Drawback Received	616.44	143.64
Export Incentives (MEIS)	-	318.39
Exchange Gain	804.61	2.27
Rent Received	180.00	180.00
Total	**1,615.95**	**651.48**

Note 25 : Cost of Material Consumed

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Opening Stock	5,798.60	1,504.63
Add:- Purchases during the year	17,188.66	7,133.14
	22,987.26	8,637.77
Less: - Closing Stock	3,955.17	5,798.60
Total	**19,032.09**	**2,839.17**

Note 26 : Purchase of Stock In Trade

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Opening Stock of Finished Goods Traded	-	-
Add: Purchases during the year	18,821.83	11,741.73
	18,821.83	11,741.73
Less: Closing Stock of Finished Goods Traded	3,993.57	-
Total	**14,828.26**	**11,741.73**

Note 27 : Employee Benefits Expenses

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Salaries and Wages	4,625.57	4,056.28
Bonus & Exgratia	261.79	79.33
Staff Welfare Expenses	53.37	37.91
Gratuity Paid	42.50	57.73
Employer's Contribution to Provident Fund	159.10	198.43
Contribution to ESIC	16.74	3.79
Leave encashment	18.42	38.21
Total	**5,177.50**	**4,471.68**

Notes to Standalone Financial Statements for the year ended 31st March, 2022
(All amounts in ₹ '000, unless otherwise stated)

Note 28 : Finance Cost

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Bank Charges & Commission	230.82	134.52
Interest Paid to Bank - Term Loan	2,325.26	3,020.63
Interest Paid on Unsecured Loans	4,416.81	5,079.41
Interest paid to Others	41.31	38.39
Interest expenses on unwinding of discounts	39.55	27.01
Total	**7,053.75**	**8,299.96**

Note 29 : Depreciation and amortization expense

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Depreciation on property, plant and equipment	446.78	439.56
Amortisation of intangible assets	-	-
Total	**446.78**	**439.56**

Note 30 : Other Expenses

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
(A) Manufacturing Expenses		
Analytical Charges, Chemical & Glassware Consumed	185.85	22.75
Power & Fuel Consumed	976.97	1,286.71
Factory Expenses	7.23	29.98
Freight & Octroi	243.61	55.65
Loading Unloading & Packing Charges	135.58	17.99
License Fees	4.50	3.00
Job Work Charges Paid	4,258.38	985.04
Repair & Maintenance		
-Other	713.21	51.71
Security Charges	397.31	420.28
	6,922.64	**2,873.10**
(B) Selling and Distribution Expenses		
Sales Promotion Expenses	-	8.82
Advertisement Expenses	102.06	65.34
CHA Charges	772.52	166.43
Freight & Octroi (Export & Outward)	4,983.44	1,864.35
Export Insurance	52.87	18.24
Product Development & Registration Charges	125.28	31.80
Travelling Expenses	125.05	4.74
	6,161.21	**2,159.72**

Notes to Standalone Financial Statements for the year ended 31st March, 2022
(All amounts in ₹ '000, unless otherwise stated)

Note 30 : Other Expenses (Contd.)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
(C) Administrative and General Expenses		
Rent Rates & Taxes	320.36	343.38
Insurance	734.29	687.69
Legal & Professional Fees	1,004.66	776.85
Payment to Auditors		
As auditor :		
- Statutory and Tax audit fees	250.00	250.00
In other capacity:		
- Taxation Matters	-	-
- Other matters	-	25.00
ROC Filing Fees	295.10	5.10
Office Expenses	7.36	3.56
Conveyance	148.91	105.45
Sundry Balances W/off	718.52	(141.56)
Printing & Stationery	48.99	34.10
Telephone Expenses	44.50	47.99
Postage & Courier	101.42	73.44
Motor Car Expenses	17.68	71.41
Electricity Charges	132.17	135.11
Membership & subscription	85.43	59.44
Other Expenses	66.59	77.99
Listing Fees	480.00	300.00
Expected credit losses	1,238.38	1,235.69
	5,694.35	**4,090.63**
Total	**18,778.20**	**9,123.46**

31 Income taxes

(a) Tax expense recognised in the Statement of profit and loss:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current tax		
Current year	-	-
Short Provision for Tax for earlier years	-	1,328.62
Total current tax	**-**	**1,328.62**
Deferred tax		
Relating to origination and reversal of temporary difference	2,383.22	(2,541.88)
Total deferred income tax expense/(credit)	**2,383.22**	**(2,541.88)**
Total income tax expense/(credit)	**2,383.22**	**(1,213.26)**

Notes to Standalone Financial Statements for the year ended 31st March, 2022
(All amounts in ₹ '000, unless otherwise stated)

A reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows :

(b) Reconciliation of effective tax rate

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit /(loss) before taxation	7,798.25	(12,536.45)
Enacted income tax rate in India	25.168%	25.168%
Tax at the enacted income tax rate	1,962.66	(3,155.17)
Reconciliation line items:		
Tax credits not recognised	(420.56)	(613.29)
Tax pertaining to Earlier Years	-	(1,328.62)
Others	-	-
Tax expense/ (credit)	**2,383.22**	**(1,213.26)**

(c) The movement in deferred tax assets and liabilities during the year ended March 31, 2022 and March 31, 2021 :

Particulars	As at April 01, 2021	Credit/ (charge) in Statement of profit and loss	As at March 31, 2022
Deferred tax assets/(liabilities)			
On losses and unabsorbed depreciation	18,928.81	(1,902.84)	17,025.97
On account of depreciation	(5,886.98)	(300.96)	(6,187.94)
On expenses allowable on payment basis	25.10	(107.38)	(82.29)
	13,066.92	**(2,311.18)**	**10,755.74**

Particulars	As at April 01, 2020	Credit/ (charge) in Statement of profit and loss	As at March 31, 2021
Deferred tax assets/(liabilities)			
On losses and unabsorbed depreciation	16,270.93	2,657.88	18,928.81
On account of depreciation	(5,707.82)	(179.16)	(5,886.98)
On expenses allowable on payment basis	39.02	(13.93)	25.10
	10,602.13	**2,464.80**	**13,066.92**

32 DISCLOSURE PURSUANT TO IND AS - 19 "EMPLOYEE BENEFITS"

i) Gratuity: In accordance with the applicable laws, the Company provides for gratuity, a defined benefit retirement plan ("The Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date.

Notes to Standalone Financial Statements for the year ended 31st March, 2022
(All amounts in ₹ '000, unless otherwise stated)

The disclosure in respect of the defined Gratuity Plan are given below:

A. Balance Sheet

Particulars	Defined benefit plans	
	As at March 31, 2022	As at March 31, 2021
Present value of plan liabilities	652.21	519.97
Fair value of plan assets	1,058.57	850.41
Asset/(Liability) recognised	**(406.36)**	**(330.44)**

B. Movements in plan assets and plan liabilities

Particulars	Present value of obligations	Fair Value of Plan assets
As at 1st April 2021	**519.97**	**850.41**
Current service cost	78.67	-
Past service cost	-	-
Interest Cost/(Income)	26.50	62.67
Return on plan assets excluding amounts included in net finance income/cost	-	8.47
Actuarial (gain)/loss arising from changes in financial assumptions	(7.01)	-
Actuarial (gain)/loss arising from experience adjustments	284.20	-
Employer's contribution	-	137.03
Benefit payments	(250.13)	-
As at 31st March 2022	**652.21**	**1,058.57**

Particulars	Present value of obligations	Fair Value of Plan assets
As at 1st April 2020	**877.52**	**793.62**
Current service cost	57.14	-
Past service cost	-	-
Interest Cost/(Income)	54.00	53.42
Return on plan assets excluding amounts included in net finance income/cost	-	(0.50)
Actuarial (gain)/loss arising from changes in financial assumptions	7.21	-
Actuarial (gain)/loss arising from experience adjustments	(299.89)	-
Employer's contribution	-	3.86
Benefit payments	(176.02)	-
As at 31st March 2021	**519.97**	**850.41**

Notes to Standalone Financial Statements for the year ended 31st March, 2022
(All amounts in ₹ '000, unless otherwise stated)

C. Statement of Profit and Loss

Particulars	As at March 31, 2022	As at March 31, 2021
Employees Benefit Expenses:		
Current service cost	78.67	57.14
Interest cost/(income)	(36.17)	0.59
Total amount recognised in Statement of Profit & Loss	**42.50**	**57.73**
Remeasurement of the net defined benefit liability:		
Return on plan assets excluding amounts included in net finance income/(cost)	(8.47)	0.50
Actuarial gains/(losses) arising from changes in financial assumptions	(7.01)	7.21
Experience gains/(losses)	284.20	(299.89)
Total amount recognised in Other Comprehensive Income	**268.73**	**(292.18)**

D. Assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

The significant actuarial assumptions were as follows:

	As at March 31, 2022	As at March 31, 2021
Financial Assumptions		
Discount rate	6.82%	6.71%
Salary Escalation Rate	5.00%	5.00%

E. Major categories of plan assets of the fair value of the total plan assets are as follows:

	As at March 31, 2022	As at March 31, 2021
Insurance policies	100%	100%

F. Sensitivity

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

Particulars	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1.00%	593.41	720.63
Salary Escalation Rate	1.00%	725.73	588.07

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

Notes to Standalone Financial Statements for the year ended 31st March, 2022
(All amounts in ₹ '000, unless otherwise stated)

G. The defined benefit obligations shall mature after year end 31st March, 2021 as follows:

Year ending March 31, 2022	Defined benefit obligation
2023	63.23
2024	10.23
2025	11.07
2026	11.76
2027	215.33
Thereafter	96.86

The weighted average duration of the defined benefit obligation is 14.17

33 Contingent liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Claims against the Company not acknowledged as debts		
(i) Guarantees given by banks	-	-
(ii) liabilities that may arise in respect of disputed matters in relation to		
- Excise duty	6,317.00	6,317.00
- Transfer of Lease Rights for plots situated at Silvassa	16,464.95	-
	22,781.95	**6,317.00**

Note: - The Company's pending litigations comprise of claims against the Company and proceedings pending with tax and other authorities. The Company has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Company does not reasonably expect the outcome of these proceedings to have a material impact on its financial statements.

34 Commitments

The Company does not have any commitments (including capital commitments) as on March 31, 2022. (As at March 31, 2021 - Nil)

35 Earning Per share

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit after tax available for equity shareholders	5,415.03	(11,323.18)
Weighted average number of equity shares	8,512.04	8,504.87
Nominal value of equity shares	10	10
Basic and diluted Earning Per Share	0.64	(1.33)

36 Net debt reconciliations

Particulars	As at March 31, 2022	As at March 31, 2021
Non-Current borrowings	11,473.94	18,896.88
Current borrowings (including current maturities)	80,484.94	95,248.28
	91,958.88	**1,14,145.16**

Notes to Standalone Financial Statements for the year ended 31st March, 2022
(All amounts in ₹ '000, unless otherwise stated)

Particulars	For the year ended March 31, 2022
Net debt as at April 01, 2021	**1,14,145.16**
Cash flows	(22,225.83)
Unwinding of discounts on Interest free loan	39.55
Borrowing cost	-
Net debt as at March 31, 2022	**91,958.88**

37 Financial instruments

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The carrying amounts and fair values of financial instruments by category are as follows:

As at March 31, 2022

Particulars	FVOCI	FVTPL	Amortised cost	Total fair value	Carrying amount
Financial assets					
Investments	-	-	895.48	895.48	895.48
Trade receivables	-	-	18,593.94	18,593.94	18,593.94
Cash and cash equivalents	-	-	43,329.34	43,329.34	43,329.34
Other bank balances	-	-	134.54	134.54	134.54
Loans	-	-	569.06	569.06	569.06
Other financial assets	-	-	494.40	494.40	494.40
Total	-	-	**64,016.74**	**64,016.74**	**64,016.74**
Financial liabilities					
Borrowings	-	-	91,958.88	91,958.88	91,958.88
Trade payables	-	-	10,911.23	10,911.23	10,911.23
Others	-	-	3,687.48	3,687.48	3,687.48
Total	-	-	**1,06,557.59**	**1,06,557.59**	**1,06,557.59**

Notes to Standalone Financial Statements for the year ended 31st March, 2022
(All amounts in ₹ '000, unless otherwise stated)

As at March 31, 2021

Particulars	FVOCI	FVTPL	Amortised cost	Total fair value	Carrying amount
Financial assets					
Investments	-	-	895.48	895.48	895.48
Trade receivables	-	-	4,325.90	4,325.90	4,325.90
Cash and cash equivalents	-	-	1,017.19	1,017.19	1,017.19
Other bank balances	-	-	126.98	126.98	126.98
Loans	-	-	326.06	326.06	326.06
Other financial assets	-	-	892.60	892.60	892.60
Total	**-**	**-**	**7,584.22**	**7,584.22**	**7,584.22**
Financial liabilities					
Borrowings	-	-	1,14,145.16	1,14,145.16	1,14,145.16
Trade payables	-	-	7,741.40	7,741.40	7,741.40
Others	-	-	3,072.72	3,072.72	3,072.72
Total	**-**	**-**	**1,24,959.28**	**1,24,959.28**	**1,24,959.28**

There were no significant changes in classification and no significant movements between the fair value hierarchy classifications of financial assets and financial liabilities during the period.

38 Financial risk factors

The Company's principal financial liabilities comprises of loans and borrowings, advances and trade and other payables. The purpose of these financial liabilities is to finance the Company's operations and to provide support to its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company's activities exposes it to Liquidity Risk, Market Risk and Credit risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised as below.

(a) Liquidity risk

The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk management implies maintenance of sufficient cash including availability of funding through an adequate amount of committed credit facilities to meet the obligations as and when due.

The Company manages its liquidity risk by ensuring as far as possible that it will have sufficient liquidity to meet its short term and long term liabilities as and when due. Anticipated future cash flows are expected to be sufficient to meet the liquidity requirements of the Company.

(i) The following is the contractual maturities of the financial liabilities:

Particulars	Carrying amount	Payable on demand	1-12 months	More than 12 months
As at March 31, 2022				
Non-derivative liabilities				
Borrowings	91,958.88	73,065.41	7,419.53	11,473.94
Trade payables	10,911.23	-	10,911.23	-
Other financial liabilities	3,687.48	-	3,687.48	-
	1,06,557.59	**73,065.41**	**22,018.24**	**11,473.94**
As at March 31, 2021				
Non-derivative liabilities				
Borrowings	1,14,145.16	87,824.50	7,423.78	18,896.88
Trade payables	7,741.40	-	7,741.40	-
Other financial liabilities	3,072.72	-	3,072.72	-
	1,24,959.28	**87,824.50**	**18,237.90**	**18,896.88**

Notes to Standalone Financial Statements for the year ended 31st March, 2022
(All amounts in ₹ '000, unless otherwise stated)

(b) 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: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk includes investment, deposits, foreign currency receivables and payables. The Company's treasury team manages the Market risk, which evaluates and exercises independent control over the entire process of market risk management.

(i) Foreign currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has foreign currency trade payables and receivables and is therefore exposed to foreign exchange risk. The exchange rates have been volatile in the recent years and may continue to be volatile in the future. Hence the operating results and financials of the Company may be impacted due to volatility of the rupee against foreign currencies.

Unhedged Foreign currency exposure

Particulars	Trade receivables	
	In Foreign Currency	In INR
As at March 31, 2022		
- USD	112.12	8,542.05
As at March 31, 2021		
- USD	29.56	2,172.61

(ii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. According to the Company interest rate risk exposure is only for floating rate borrowings. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Exposure to Interest rate risk	As at March 31, 2022	As at March 31, 2021
Total borrowings	91,958.88	1,14,145.16
% of Borrowings out of above bearing variable rate of interest	23.85%	74.75%

Interest rate sensitivity

A change of 50 bps in interest rates would have following Impact on profit before tax:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
50 bp increase would decrease the profit before tax by	109.68	426.62
50 bp decrease would increase the profit before tax by	(109.68)	(426.62)

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations. The Company is exposed to credit risks from its operating activities, primarily trade receivables, cash and cash equivalents, deposits with banks and other financial instruments.Credit risk is managed by the Company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.

Notes to Standalone Financial Statements for the year ended 31st March, 2022
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(C) Exposure to the Credit risks

Exposure to the Credit risks	As at March 31, 2022	As at March 31, 2021
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)		
- Trade Receivables	18,593.94	4,325.90

Trade and other receivables

The Company considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risks on an ongoing basis throughout each reporting period.

To assess whether there is a significant change increase in credit risk the Company compares the risks of default occurring on the assets as at the reporting date with the risk of default as at the date of initial recognition. It considers the reasonable and supportive forward looking information such as:

(i) Actual or expected significant adverse changes in business.

(ii) Actual or expected significant changes in the operating results of the counter party.

(iii) Financial or economic conditions that are expected to cause a significant change to the counter party's ability to meet its obligations

(iv) Significant increase in credit risk on other financial instruments of same counterparty.

Ageing of the accounts receivables

	As at March 31, 2022	As at March 31, 2021
< 180 days	17,297.70	2,159.03
> 180 days	1,296.24	2,166.88
	18,593.94	**4,325.90**

39 (a) Financial risk factors

Capital risk management

The Company's objectives when managing capital are to :

(i) safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

(ii) maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may issue new shares, adjust the amount of dividends paid to shareholders, etc. The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The Company monitors capital using a gearing ratio being a ratio of net debt as a percentage of total capital.

	As at March 31, 2022	As at March 31, 2021
Total equity	1,27,494.80	47,139.55
Net debt (Total borrowings less cash and cash equivalents)	48,629.53	1,13,127.97
Total capital (Borrowings and Equity)	**1,76,124.33**	**1,60,267.52**
Gearing ratio	**27.61%**	**70.59%**

Notes to Standalone Financial Statements for the year ended 31st March, 2022
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(b) Dividends

The Company follows the policy of Dividend for every financial year as may be decided by Board considering financial performance of the company and other internal and external factors enumerated in the Company's dividend policy.

40 Segment Reporting

The Company's Board of Directors consisting of Managing Director has been identified as the Chief Operating Decision Maker (CODM) as defined under Ind AS 108 "Operating Segments". The CODM evaluates the Company's performance and allocated the resources based on an analysis of various performance indicators . The Company is primarily engaged in the business of Manufacture of Pharmaceuticals, Medicinal products and the management considers these business activities as a single reportable segment.

41 Related party disclosure under Ind AS 24

Name of related parties and description of relationship

(a) Subsidiary
Naxpar Pharma Pvt. Ltd.

(b) Key managerial personnel
Mr. Prakash M. Shah, Director
Mr. Baiju M. Shah, Director
Ms. Ami M. Shah, Director

(c) Relative of key managerial personnel
Mr. Binoy B. Shah, Son of Mr. Baiju M. Shah

(d) Concern in which KMP and/or Relatives of KMP is interested
M/s. Naxpar Health Concepts Pvt. Ltd.
M/s. Naxpar Medicamentos LLP
M/s. Naxpar Pharma FZ LLC

Transactions with Related parties

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of Material		
- Naxpar Pharma Pvt. Ltd., Subsidiary	3,007.00	4,045.97
- Naxpar Medicamentos LLP	2,106.00	951.75
- Naxpar Pharma FZ LLC	197.56	827.90
Purchase of Material		
- Naxpar Pharma Pvt. Ltd., Subsidiary	13,864.80	5,402.41
- Naxpar Health Concepts Pvt. Ltd.	2,562.45	2,335.20
Rent Received		
- Naxpar Medicamentos LLP	180.00	180.00
Salary paid to KMP		
- Mr. Binoy B. Shah	-	150.00
Interest paid on loan		
- Mrs. Ami M Shah	4,416.81	5,079.41
Loan taken		
- Mr. Prakash M Shah	-	475.00
- Mr. Baiju M Shah	16,050.00	2,500.00
Loan repaid		
- Mr. Baiju M Shah	18,924.22	13.44
- Mr. Prakash M Shah	8,660.00	-
- Mrs. Ami M Shah	7,200.00	150.00

Notes to Standalone Financial Statements for the year ended 31st March, 2022
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Balances as at

Particulars	As at March 31, 2022	As at March 31, 2021
Receivable		
- Naxpar Pharma Pvt. Ltd., Subsidiary	-	-
- Naxpar Medicamentos LLP	2,592.18	1,154.46
- Naxpar Pharma FZ LLC	1,083.84	841.64
Payables		
- Naxpar Pharma Pvt. Ltd., Subsidiary	6,282.49	1,824.48
- Naxpar Health Concepts Pvt. Ltd.	21.71	655.07
- Mr. Baiju M Shah, Director	-	65.37
- Mr. Binoy B Shah, KMP	538.81	838.81
Unsecured loan from		
- Mr. Prakash M Shah	3,041.75	11,701.75
- Mr. Baiju M Shah	14,245.42	17,119.64
- Mrs. Ami M Shah	55,778.24	59,003.11
Deposit receivable		
- Naxpar Medicamentos LLP	30.00	30.00

42 Leases

The Company as a Lessor

Leasing Arrangements

The Company has entered into operating lease arrangements for premises. These arrangements are cancellable in nature and range between one to three years. Lease rental income earned by the Company is set out in Note 24 as 'Rent Received'.

43 Title deeds of immovable properties not held in the name of the Company

The title deeds of all the immovable properties, (other than those that have been taken on lease) disclosed in the financial statements included in property, plant equipment, are held in the name of the Company as at the balance sheet date. In respect of immovable properties that have been taken on lease and disclosed in the financial statements as non current assets held for sale as at the balance sheet date, the lease agreements are duly executed in favour of the Company, except for the following:

Relevant line item in the Balance sheet	Description of property	Gross carrying value	Title deeds held in the name of	Whether title deed holder is promoter, director or their relative or employee	Period held	Reason for not being held in name of Company *
Non current assets held for sale	Plot No 74, Govt. Industrial Estate, Masat, Silvassa	1,947.33	Parnax Lab Private Limited	NA	The Company holds possession from date of Merger	Parnax Lab Private Limited and Naxpar Lab Private Limited merged with the Company vide merger order dated December 2, 2011, still not transferred in the name of Company
Non current assets held for sale	Plot No 121, Govt. Industrial Estate, Masat, Silvassa	2,107.40	Parnax Lab Private Limited	NA	The Company holds possession from date of Merger	
Non current assets held for sale	Plot No 120, Govt. Industrial Estate, Masat, Silvassa	1,516.18	Naxpar Lab Private Limited	NA	The Company holds possession from date of Merger	

Notes to Standalone Financial Statements for the year ended 31st March, 2022
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44 Note on Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, the Company is not meeting the applicable threshold and needs not to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities.

45 Borrowings secured against current assets

The Company do not have any borrowing from banks or financial institutions on the basis if security of current assets.

46 Registration of charges or satification with Registrar of Companies (ROC)

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

47 Ratios

The following are analytical ratios for the year ended March 31, 2022 and March 31, 2021

Particulars	Numerator	Denominator	31st March 2022	31st March 2021	% of change compared to previous year
Current Ratio*	Current Asstes	Current Liabilities	0.85	0.18	379.79
Debt-Equity Ratio*	Total Debt	Shareholder's Equity	0.09	0.40	(77.55)
Debt Service Coverage Ratio*	Earnings Available for Debt Service	Debt Service	0.89	(0.15)	(691.01)
Return on Equity (ROE)*	Net Profit After Taxes	Average Shareholder's Equity	6.20%	(21.49%)	(128.86)
Inventory Turnover Ratio**	Cost of goods sold	Average Inventory	4.93	3.99	23.37
Trade Receivables Turnover Ratio**	Net Credit Sales	Average Trade Receivable	6.24	1.90	228.10
Trade Payables Turnover Ratio**	Net Credit Purchase	Average Trade Payables	3.15	1.73	82.05
Net Capital Turnover Ratio**	Net Sales	Working Capital	(4.85)	(0.26)	1,758.26
Net Profit Ratio*	Net Profit	Net Sales	7.57%	(47.72%)	(115.87)
Return On Capital Employed (ROCE)*	Earning Before Interest and Taxes	Capital Employed	10.68%	(6.41%)	(266.67)
Return On Investment (ROI) Unquoted	Income Generated from Investments	Time Weighted Investments	NA	NA	
Quoted	Income Generated from Investments	Time Weighted Investments	NA	NA	

Reasons where the changes is more than 25%

* Increase in the profit due to increase in the operations during the year and amount received on issue of warrents/shares, has resulted in the change in the ratio

** Increase in the operations during the year has resulted in the change in the ratio.

48 Details of Benami Property Held

No proceedings have been initiated during the financial year or pending as at the end of the financial year against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

49 Relationship with Struck off Companies

The Company has not entered into any transaction during the current or previous financial year with the companies whose names have been struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 and there is no outstanding receivable from / payable to such companies as at the end of year.

Notes to Standalone Financial Statements for the year ended 31st March, 2022
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50 Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual currency during the current or preceeding financial year.

51 Utilisation of Borrowed funds and share premium

The Company has not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).

The Company has also not received any fund from any parties (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

52 Undisclosed income

The Company does not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

53 Wilful Defaulter

The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender in the current or preceeding financial year.

54 Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended 31 March 2022 and 31 March 2021.

55 Compliance with approved Scheme(s) of Arrangements

There is no any scheme of Arrangement or Amalgamation initiated or approved by the Board of Directors and / or Shareholders of the Company or competent authority during the year ended 31 March 2022 and 31 March 2021 or in earlier years.

56 Event after reporting date

There have been no events after the reporting date.

57 Recent accounting and other pronouncements :

A) New Standards issued or amendments to the existing standard but not yet effective :

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

On 23 March 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

(a) Ind AS 16 – Property Plant and equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2022. The Company has evaluated the amendment and there is no impact on its financial statements.

(b) Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets – The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2022, although early adoption is permitted. The Company has evaluated the amendment and there is no impact on its financial statements.

Notes to Standalone Financial Statements for the year ended 31st March, 2022
(All amounts in ₹ '000, unless otherwise stated)

(c) Ind AS 103 - Business combinations – The amendment adds a new exception in Ind AS 103 for liabilities and contingent liabilities.

(d) Ind AS 109 - Financial instruments – The amendment clarifies which fees an entity includes when it applies the '10%' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

B) other recent pronouncements :

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Employee Benifit Plan. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on 13 November 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

58 The Company is yet to receive balance confirmations in respect of certain financial assets and financial liabilities. The Management does not expect any material difference affecting the current year's financial statements due to the same.

59 The financial statements were approved for issue by the Board of Directors on May 30, 2022

60 The figures of the previous year's have been regrouped or reclassified wherever necessary to make them comparable.

As per our report of even date
For C. N. Patel & Co.
Chartered Accountants
Firm's Registration No : 112552W

Sd/-

CA Manish Mandhana
Partner
M. No. 112026
Place : Mumbai
Date: 30th May, 2022

For and on behalf of the Board of Directors
of Parnax Lab Ltd.

Sd/-
Prakash M. Shah
Director & CEO
DIN 00440980

Sd/-
Baiju M. Shah
Managing Director & CFO
DIN 00440806

Sd/-
Preet Kukreja
Company Secretary

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Parnax Lab Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of **Parnax Lab Limited** (hereinafter referred to as "the Holding Company") and its subsidiary **Naxpar Pharma Private Limited** (the holding company and its subsidiary constitute "the Group")which comprise the consolidated Balance Sheet as at March 31, 2022, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income) the consolidated Cash Flow Statement and the Statement of changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information. (hereinafter referred to as "the consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of other auditor on separate financial statement of subsidiary referred to in the Other Matters section below, 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the group as at 31st March, 2022, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis of Opinion

3. We conducted our audit of the consolidated financial statements 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 Consolidated Financial Statements section of our report. We are independent of the Group and its associates in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Companies Act, 2013 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 obtained by us and the audit evidence obtained by other auditor in terms of their reports referred in the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

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

5.

The Key Audit Matter	**How was the matter addressed in our audit**
Revenue is recognised when control of the products being sold has been transferred to the customer. The timing of revenue recognition is relevant to the reported performance of the Company. We identified revenue recognition as a key audit matter because there is presumed fraud risk of revenue being overstated at period end by recognising certain transactions as revenue though control over those goods may not have transferred to the customers as at year-end by changing the timing of transfer of control.	In view of significance of the matter we applied following audit procedures in this area, among others to obtain sufficient and appropriate audit evidence: • Evaluated compliance of the revenue recognition accounting policies by comparing with Ind AS 115 "Revenue from Contracts with Customers". • Tested the design, implementation and operating effectiveness of the Company's general IT controls and manual controls over the Company's systems which governs recording of revenue, creation of new customers and key controls over revenue cut-off in the general ledger. • Performed substantive testing by selecting statistical samples of revenue transactions recorded during the year and year-end cut-off testing by verifying the underlying documents, which include testing contractual terms of sale contracts / invoices, shipping documents and proof of delivery to test evidence for transfer of control. • Evaluated adequacy of disclosures in relation to revenue in the standalone financial statements.

Information other than the financial statements and auditors' report thereon

6. The Holding Company's management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Holding Company's Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

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

8. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiary audited by the other auditor, to the extent it relates to these entities and in doing so, place reliance on the work of the other auditor and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance

Management's Responsibility for the Consolidated Financial Statements

9. The Holding Company's management and Board of Directors are 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 consolidated financial position, consolidated financial performance, consolidated cash flows and consolidated Statement of changes in Equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Group and for preventing and detecting the frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

10. In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so. The respective Board of Directors of the Companies included in the Group is responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.
- We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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 consolidated 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, in respect of subsidiary, whose financial statements include total assets of Rs. 14161.42 Lakhs as at March 31, 2022, and total revenues of Rs. 15773.71 Lakhs and net cash outflows of Rs. 5.05 Lakhs for the year ended on that date as considered in the consolidated financial statements. These financial statement have been audited by other auditors, whose report have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and ourreport in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of such other auditors

    Our opinion on the consolidated financial statements above, 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 and the financial statements and other financial information certified by the Management.

Report on other Legal and Regulatory Requirements

17. As required by section 197(16) of the Act, in our opinion and according to the information and explanations given to us, we report that the Holding Company, and its subsidiary company covered under the Act, paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 of the Act read with Schedule V to the Act.
18. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiary referred to in the Other Matters section above, we report, to the extent applicable that:

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

b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Cash Flow Statement andthe Consolidated Statement of changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of written representations received from the directors of the Holding Company as on 31stMarch, 2022, and taken on record by the Board of Directors of the Holding Company and on the basis of the report of the statutory auditor of its subsidiary company, none of the directors of the Group is disqualified as on 31stMarch, 2022, from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our report in "Annexure A" which is based on the auditors' reports of the Parent and subsidiary company to whom internal financial controls over financial reporting is applicable. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies

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

In our opinion and to the best of our information and according to the explanations given to us and based on the auditor's reports of subsidiary company incorporated in India, the remuneration paid by the Parent Company and such subsidiary company to their respective directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiary, as noted in the 'Other Matters' paragraph:

i) The Consolidated financial statements disclosed the impact of pending litigation as at 31st March 2022 on the consolidated financial position of the Group – Refer Note 35 to the consolidated financial statements;

ii) The Group did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses; and

iii) There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Group.

iv) (a) The respective managements of the Holding Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary, that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiary, ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The respective managements of the Holding Company and its subsidiary, which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary that, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or any of such subsidiary from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v) No dividend has been declared or paid during the year by the Holding Company and its subsidiary company, incorporated in India.

For C. N. Patel & Co.
Chartered Accountants
Firm Registration No.: 112552W

Sd/-

(CA Manish Mandhana)
Partner
M. No.: 112026
Place : Mumbai
Dated : 30thMay, 2022
UDIN : 22112026AJXFZQ3912

Annexure A to the Independent Auditors' Report

Referred to as **"Annexure A"** in paragraph 17(f) under Independent Auditors' Report of even date to the members of **Parnax Lab Limited** on the consolidated financial statements for the year ended on 31st March, 2022.

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

1. We have audited the internal financial controls over financial reporting of Parnax Lab Limited("the Holding Company") and its subsidiary company which are incorporated in India, as on 31st March, 2022 in conjunction with our audit of the consolidated financial statements of the Company for the year ended and as on that date.

Management's Responsibility for Internal Financial Controls

2. The Respective Board of Directors of the Holding Company and its subsidiary company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("the Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

5. We believe that the audit evidence we have obtained and audit evidence obtained by the other auditors of the subsidiary company, in terms of the their report referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on internal financial controls system over financial reporting of the Holding company and its subsidiary.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

8. In our opinion to the best of our information and according to explanations given to us and based on the consideration of the report of other auditors referred to in the Other Matter paragraph below, the Holding Company and its subsidiary company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31stMarch 2022, based on the internal control over financial reporting criteria established by the Company and its subsidiary company incorporated in India considering the essential components of internal control stated in the Guidance Note.

Other Matters

9. Our report under Section 143(3)(I) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to these one (1) subsidiary, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary incorporated in India.

Our report is not modified in respect of the above matters.

For C. N. Patel & Co.
Chartered Accountants
Firm Registration No.: 112552W

Sd/-

(CA Manish Mandhana)
Partner
M. No.: 112026
Place :Mumbai
Dated :30th May, 2022
UDIN : 22112026AJXFZQ3912

Consolidated Balance Sheet as at 31st March, 2022

(All amounts in ₹ '000, unless otherwise stated)

	Particulars	Note No.	As at 31st March, 2022	As at 31st March, 2021
I	**ASSETS**			
	1. Non - Current Assets			
	(a) Property, plant and equipment	2	6,83,047.68	5,62,634.22
	(b) Capital Work in Progress	3	33,423.90	49,108.06
	(c) Intangible assets	4	915.52	1,412.19
	(d) Right-of-use-asset	44	35,513.07	32,594.46
	(e) Financial assets			
	(i) Investments	5	2,246.48	2,246.48
	(ii) Other financial assets	6	5,378.74	5,107.63
	(f) Other non current assets	7	26,449.22	17,076.81
			7,86,974.60	**6,70,179.85**
	2. Current Assets			
	(a) Inventories	8	1,99,283.92	1,07,892.39
	(b) Financial assets			
	(i) Trade Receivable	9	3,80,753.74	1,67,103.65
	(ii) Cash and Cash Equivalents	10	43,621.19	1,814.26
	(iii) Bank balances other than (ii) above	11	14,188.65	10,842.79
	(iv) Loans	12	4,750.33	8,567.50
	(c) Current tax assets(net)		7,169.88	25,996.19
	(d) Other current assets	13	60,488.28	32,777.31
			7,10,255.99	**3,54,994.08**
	3. Assets classified as held for disposal	14	37,405.13	37,405.13
	TOTAL ASSETS		**15,34,635.73**	**10,62,579.06**
II	**EQUITY AND LIABILITIES**			
	1. Equity			
	(a) Share Capital	15	98,148.66	85,048.66
	(b) Other equity	16	3,83,715.39	2,40,388.09
	Equity attributable to owners		**4,81,864.05**	**3,25,436.75**
	Non-Controlling Interest		919.21	766.77
	Total equity		**4,82,783.26**	**3,26,203.51**
	2. Liabilities			
	Non-Current liabilities			
	(a) Financial Liabilities			
	(i) Long term borrowings	17	1,74,106.20	1,39,757.96
	(ii) Lease Liabilities	44	31,561.50	31,552.96
	(b) Long term provisions	18	4,744.86	2,579.64
	(c) Deferred tax liabilities (net)	33	31,667.83	18,744.89
			2,42,080.39	**1,92,635.46**
	Current Liabilities			
	(a) Financial Liabilities			
	(i) Short term borrowings	19	4,80,579.91	4,16,442.03
	(ii) Trade Payables	20		
	- Total outstanding dues of micro enterprises and small enterprises		1,21,836.88	37,694.34
	- Total outstanding dues of creditors other than micro enterprises and small enterprises		98,941.67	24,623.15
	(iii) Lease Liabilities	44	4,485.89	1,263.74
	(iv) Other financial Liabilities	21	89,491.03	57,569.71
	(b) Other current liabilities	22	8,030.42	5,584.61
	(c) Short Term Provision	23	910.44	562.51
	(d) Current tax liability (net)		5,495.84	-
			8,09,772.09	**5,43,740.09**
	TOTAL EQUITY AND LIABILITIES		**15,34,635.73**	**10,62,579.06**
	Significant Accounting Policies	1		

The accompanying notes are an integral part of these standalone financial statements

As per our report of even date

For C. N. Patel & Co.
Chartered Accountants
Firm's Registration No : 112552W

Sd/-

CA Manish Mandhana
Partner
M. No. 112026
Place : Mumbai
Date: 30th May, 2022

For and on behalf of the Board of Directors of Parnax Lab Ltd.

Sd/-
Prakash M. Shah
Director & CEO
DIN 00440980

Sd/-
Baiju M. Shah
Managing Director & CFO
DIN 00440806

Sd/-
Preet Kukreja
Company Secretary

Consolidated Statement of Profit and Loss for the year ended 31st March, 2022
(All amounts in ₹ '000, unless otherwise stated)

	Particulars	Note No.	For the year ended 31st March 2022	For the year ended 31st March 2021
I	Revenue from Operations	24	16,30,316.62	9,00,599.94
II	Other Income	25	3,297.22	2,102.56
III	**Total Income (I + II)**		**16,33,613.84**	**9,02,702.51**
IV	**Expenses**			
	Cost of Materials Consumed	26	9,11,301.79	4,04,082.83
	Purchase of Stock In Trade	27	1,711.03	9,030.47
	Change in Inventories	28	(16,577.86)	4,474.81
	Employee Benefit Expenses	29	1,74,297.74	1,36,834.60
	Finance Cost	30	52,302.63	50,810.65
	Depreciation and Amortization Expense	31	58,655.19	51,597.02
	Other Expenses	32	3,29,280.94	2,46,709.62
	Total Expenses		**15,10,971.45**	**9,03,540.00**
V	Profit / (Loss) before tax (III-IV)		1,22,642.39	(837.49)
VI	Tax Expense:	33		
	(a) Current Tax		26,700.00	1,952.79
	(b) Deferred Tax (Asset) / Liability		13,358.55	1,458.31
	(c) MAT credit		-	(1,952.79)
	(d) Short (Excess) Prov for Tax for Earlier Years		1.00	1,328.62
			40,059.55	**2,786.93**
VII	**Profit / (Loss) after tax (V-VI)**		**82,582.84**	**(3,624.42)**
VIII	**Other Comprehensive Income**			
	A. (i) Items that will not be reclassified to profit & loss			
	Remeasurements of post-employment benefit obligations		(1,593.11)	1,520.87
	(ii) Income tax relating to items that will not be reclassified to profit or loss		435.61	(392.88)
	Total Other Comprehensive income		**(1,157.50)**	**1,127.99**
	TOTAL COMPREHENSIVE INCOME FOR THE YEAR(VII+VIII)		**81,425.34**	**(2,496.43)**
	Total profit/(loss) for the year attributable to:			
	- Owners of the Company		82,428.50	(3,639.82)
	- Non-controlling interests		154.34	15.40
	Other Comprehensive income attributable to :			
	- Owners of the Company		(1,155.61)	1,126.19
	- Non-controlling interests		(1.89)	1.80
	Total Comprehensive income attributable to:			
	- Owners of the Company		81,272.89	(2,513.63)
	- Non-controlling interests		152.45	17.20
IX	**Earnings Per Equity Share of Rs.10/- each :**			
	Weighted average no. of shares (Basic & Diluted)		85,12,044	85,04,866
	Basic & Dilute Earning Per Share (Rs.)		9.70	(0.43)
	Significant Accounting Policies	1		

The accompanying notes are an integral part of these consolidated financial statements
As per our report of even date

For C. N. Patel & Co.
Chartered Accountants
Firm's Registration No : 112552W

Sd/-

CA Manish Mandhana
Partner
M. No. 112026
Place : Mumbai
Date: 30th May, 2022

For and on behalf of the Board of Directors of Parnax Lab Ltd.

Sd/-
Prakash M. Shah
Director & CEO
DIN 00440980

Sd/-
Baiju M. Shah
Managing Director & CFO
DIN 00440806

Sd/-
Preet Kukreja
Company Secretary

Consolidated Cash Flow Statement for the year ended 31st March, 2022

(All amounts in ₹ '000, unless otherwise stated)

	Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit/(Loss) before tax	1,22,642.39	(837.49)
	Adjustments for		
	Depreciation	58,655.19	51,597.02
	Finance Cost	52,302.63	50,810.65
	(Profit) Loss on sale of Property, plant & equipments	(31.00)	(105.55)
	Sundry Balances written off	487.28	801.32
	Interest & Dividend income	(902.00)	(820.41)
	Operating Loss Before Working Capital Adjustments	**2,33,154.49**	**1,01,445.54**
	Changes in Working Capital		
	Adjustments for (increase) / decrease in operating assets:		
	Inventories	(91,391.53)	3,619.04
	Trade receivables	(2,11,825.61)	63,738.31
	Other assets (Financials and Non Financial assets)	(33,537.32)	(12,521.51)
	Adjustments for increase / (decrease) in operating liabilities:		
	Trade payables	1,56,149.31	(47,044.76)
	Other liabilities (Financials and Non Financial assets)	35,287.17	(38,558.47)
	Cash generated from operations	**87,836.51**	**70,678.15**
	Direct Tax Paid (Refund) [Net]	2,378.87	7,589.10
	Net cash flow from / (used in) operating activities (A)	**85,457.64**	**63,089.05**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of property, plant & equipment	(1,78,278.89)	(45,433.06)
	Expenditure on capital work in progress	15,684.16	(19,968.00)
	Expenditure on asset held for diposal		-
	Investment in fixed deposit	(3,345.86)	(1,748.01)
	Proceeds from sale of fixed assets	50.00	680.00
	Proceeds/(Purchase) from sale of Non Current Investments		
	Interest & Dividend income	902.00	820.41
	Net cash flow from / (used in) investing activities (B)	**(1,64,988.60)**	**(65,648.66)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from Issue of Shares, Warrants	75,154.41	-
	Proceeds from long-term borrowings (net)	34,348.24	(31,883.73)
	Proceeds from Short-term borrowings (net)	64,137.88	83,199.94
	Finance Cost	(52,302.63)	(50,810.65)
	Net cash flow from / (used in) financing activities (C)	**1,21,337.90**	**505.56**
	Net increase (decrease) in cash and cash equivalents (A+B+C)	**41,806.94**	**(2,054.05)**
	Cash and cash equivalents at the beginning of the year	**1,814.26**	**3,868.31**
	Cash and cash equivalents at the end of the year	**43,621.19**	**1,814.26**

As per our report of even date

For C. N. Patel & Co.
Chartered Accountants
Firm's Registration No : 112552W

Sd/-

CA Manish Mandhana
Partner
M. No. 112026
Place : Mumbai
Date: 30th May, 2022

For and on behalf of the Board of Directors of Parnax Lab Ltd.

Sd/-
Prakash M. Shah
Director & CEO
DIN 00440980

Sd/-
Baiju M. Shah
Managing Director & CFO
DIN 00440806

Sd/-
Preet Kukreja
Company Secretary

Standalone Statement of Changes in Equity for the year ended 31st March, 2022
(All amounts in ₹ '000, unless otherwise stated)

(A) Equity Share Capital

Balance as at April 01, 2020	**85,048.66**
Changes in share capital during the year	-
Balance as at March 31, 2021	**85,048.66**
Changes in share capital during the year	13,100.00
Balance as at March 31, 2022	**98,148.66**

(B) Other Equity

	Capital Reserve on Consolidation	Share Premium	General Reserve	Surplus in Statement of profit & loss	Accumulated other comprehensive income - Acturial Gains/(Losses)	Share Warrant	Total
Balance as at April 01, 2020	**1,622.61**	**-**	**63,665.78**	**1,77,943.08**	**(329.76)**	**-**	**2,42,901.71**
Profit/(Loss) for the year	-	-	-	(3,639.82)	-	-	(3,639.82)
Other comprehensive income for the year	-	-	-	-	1,126.19	-	1,126.19
Amortisation of land transfer to asset held for disposal	-	-	-	-	-	-	-
Balance as at March 31, 2021	**1,622.61**	**-**	**63,665.78**	**1,74,303.26**	**796.43**	**-**	**2,40,388.09**
Profit/(Loss) for the year	-	-	-	82,428.50	-	-	82,428.50
Amount received during the year	-	43,885.00	-	-	-	75,154.41	1,19,039.41
Transferred on Issue of shares during the year	-	-	-	-	-	(56,985.00)	(56,985.00)
Other comprehensive income for the year	-	-	-	-	(1,155.61)	-	(1,155.61)
Amortisation of land transfer to asset Held for disposal	-	-	-	-	-	-	-
Balance as at March 31, 2022	**1,622.61**	**43,885.00**	**63,665.78**	**2,56,731.76**	**(359.18)**	**18,169.41**	**3,83,715.39**

The accompanying notes are an integral part of these financial statements

As per our report of even date
For C. N. Patel & Co.
Chartered Accountants
Firm's Registration No : 112552W

Sd/-

CA Manish Mandhana
Partner
M. No. 112026
Place : Mumbai
Date: 30th May, 2022

For and on behalf of the Board of Directors of Parnax Lab Ltd.

Sd/-
Prakash M. Shah
Director & CEO
DIN 00440980

Sd/-
Baiju M. Shah
Managing Director & CFO
DIN 00440806

Sd/-
Preet Kukreja
Company Secretary

Notes to Consolidated Financial Statements for the year ended 31st March, 2022

Note 1 :

A. CORPORATE INFORMATION:

The consolidated financial statements comprises financial statements of Parnax Lab Limited (Parent Company) and its subsidiary Naxpar Pharma Private Limited (hereinafter to be referred as the Group) for the year ended March 31, 2022.

Parnax Lab Limited is a public Group incorporated under the provisions of the Companies Act, 1956. The Group is principally engaged in the business activities of manufacturing and export of Pharmaceutical Formulations.

B. SIGNIFICANT ACCOUNTING POLICIES:

1. Basis of Preparation of Financial Statements:

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting standards) Rules as amended from time to time and other related provisions of the Act.

The financial statements of the Group are prepared on the accrual basis of accounting and Historical cost convention except for the following material items that have been measured at fair value as required by the relevant Ind AS:

(i) Certain financial assets and liabilities are measured at Fair value (Refer note no. 8)

(ii) Defined benefit employee plan (Refer note no. 13)

The accounting policies are applied consistently to all the periods presented in the consolidated financial statements. All assets and liabilities have been classified as current or non current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as at March 31, 2022.

Subsidiaries

Subsidiaries are all entities over which the Group has control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has

(a) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

(b) Exposure, or rights, to variable returns from its involvement with the investee

(c) The ability to use its power over the investee to affect its returns

Consolidation of a subsidiary begins when the group obtains control over the subsidiary and ceases when the Group losses control of the subsidiary.

Consolidation Procedure

Subsidiaries

(a) Combine, on line by line basis like items of assets, liabilities, equity, income, expenses and cash flows of the Parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the Parent's investment in each subsidiary and the Parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intra-group assets and liabilities, equity, income, expenses and Cash flows relating to transactions between entities of the group (profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and property, plant and equipment (PPE), are eliminated in full). Intra-group losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes

Notes to Consolidated Financial Statements for the year ended 31st March, 2022

applies to temporary differences that arise from the elimination of profits and losses resulting from intra-group transactions.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Parent Company and to the non controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Parent Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

Changes in the Group's ownership interest in existing subsidiaries:

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the group.

When the Group loses control of a subsidiary, a gain or loss is recognised in consolidated statement of profit and loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any noncontrolling interests.

The consolidated financial statements are presented in INR, the functional currency of the Group.

2. Use of Estimates and judgments:

The preparation of the consolidated financial statements requires the Management to make, judgments, estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The recognition, measurement, classification or disclosure of an item or information in the financial statements is made relying on these estimates. The estimates and judgements used in the preparation of the consolidated financial statements are continuously evaluated by the management and are based on historical experience and various other assumptions and factors (including expectations of future events) that the management believes to be reasonable under the existing circumstances. Actual results may differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

Critical accounting judgements and key source of estimation uncertainty

The Group is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an on-going basis.

(a) Recognition and measurement of defined benefit obligations, key actuarial assumptions - Note no. - 13

(b) Estimation of current tax expenses and payable - Refer note no. - 14

3. Property, plant and equipment (PPE):

Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable costs of bringing the asset to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Subsequent expenditure and subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate only if it is probable that the future economic benefits associated with the item will flow to the Group and that the cost of the item can be reliably measured.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital working-progress".

4. Intangible assets:

Intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

An intangible asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Gains / losses arising from disposal are recognised in the Statement of Profit and Loss.

Any expected loss is recognized immediately in the Statement of Profit and Loss.

Intangible assets that are ready for use are amortized on a straight line basis.

5. Depreciation and Amortization:

(a) Property plant and equipment (PPE)

Depreciation is provided on a pro-rata basis on the straight line method based on estimated useful life prescribed under Schedule II to the Companies Act, 2013.

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

(b) Intangible assets

The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortised on a straight-line basis over the period of their expected useful lives. The amortisation period and the amortisation method for finite life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate. For indefinite life intangible assets, the assessment of indefinite life is reviewed annually to determine whether it continues, if not, it is impaired or changed prospectively basis revised estimates.

6. Investment Properties:

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property is measured at its cost, including related transaction costs and where applicable borrowing costs less depreciation and impairment if any.

Depreciation on building is provided based on straight line method using the useful life as specified in schedule II of the Companies Act, 2013 .

7. Financial Instruments:

Financial assets - Initial recognition:

Financial assets are recognised when the Group becomes a party to the contractual provisions of the instruments. On initial recognition, a financial asset is recognised at fair value, in case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost are recognised in the statement of profit and loss. In other cases, the transaction cost are attributed to the acquisition value of the financial asset.

Subsequent measurement:

Financial assets are subsequently classified as measured at:

- amortised cost

- fair value through profit & loss (FVTPL)

- fair value through other comprehensive income (FVTOCI)

Notes to Consolidated Financial Statements for the year ended 31st March, 2022

The above classification is being determined considering the:

(a) the entity's business model for managing the financial assets and

(b) the contractual cash flow characteristics of the financial asset.

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Group changes its business model for managing financial assets.

(i) Measured at amortised cost:

Financial assets are subsequently measured at amortised cost, if these financial assets are held within a business module whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Measured at fair value through other comprehensive income (FVTOCI):

Financial assets are measured at FVTOCI, if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets. Fair value movements are recognized in the other comprehensive income (OCI). Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to 'other income' in the Statement of Profit and Loss

(iii) Measured at fair value through profit or loss (FVTPL):

Financial assets other than equity instrument are measured at FVTPL unless it is measured at amortised cost or at FVTOCI on initial recognition. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised in the Statement of Profit and Loss.

Equity instruments:

On initial recognition, the Group can make an irrevocable election (on an instrument-by instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to Statement of Profit and Loss on disposal of the investments. Dividends on these investments in equity instruments are recognised in Statement of Profit and Loss when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in Statement of Profit and Loss are included in the 'Other income' line item.

Impairment

The Group recognises a loss allowance for Expected Credit Losses (ECL) on financial assets that are measured at amortised cost and at FVOCI. The credit loss is difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. This is assessed on an individual or collective basis after considering all reasonable and supportable including that which is forward looking.

The Group's trade receivables or contract revenue receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall, being simplified approach for recognition of impairment loss allowance.

Under simplified approach, the Group does not track changes in credit risk. Rather it recognizes impairment loss allowance based on the lifetime ECL at each reporting date right from its initial recognition. The Group uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

For financial assets other than trade receivables, the Group recognises 12–months expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. If, in a subsequent period, credit quality of the instrument improves such that there is no longer significant increase in credit risks since initial recognition, then the Group reverts to recognizing impairment loss allowance basedon 12 months ECL. The impairment losses and reversals are recognised in Statement of Profit and Loss. For equity instruments and financial assets measured at FVTPL, there is no requirement of impairment testing.

Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers rights to receive cash flows from an asset, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Financial Liabilities

Initial Recognition and measurement

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments. Financial liabilities are initially recognised at fair value net of transaction costs for all financial liabilities not carried at fair value through profit or loss.

The Group's financial liabilities includes trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

Financial liabilities measured at amortised cost are subsequently measured at using EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

Loans & Borrowings:

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

Financial Guarantee Contracts :

Financial guarantee contracts issued by the Group are those contracts that requires a payment to be made or to reimburse the holder for a loss it incurs because the specified debtors fails to make payment when due in accordance with the term of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. "

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Derivative financial instruments :

The Group uses derivative financial instruments, such as forward foreign exchange contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value, with changes in fair value recognised in Statement of Profit and Loss.

Notes to Consolidated Financial Statements for the year ended 31st March, 2022

Offsetting of 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.

8. Fair Value Measurement:

The Group measures financial instruments, such as, derivatives, investments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:(a) In the principal market for the asset or liability, or(b) In the absence of a principal market, in the most advantageous market for the asset or liability

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

(i) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

(ii) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

(iii) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above

9. Inventory:

Inventories are valued at the lower of cost and net realisable value. Cost is computed on a First-in First-Out (FIFO). Cost of finished goods and work-in-progress include all costs of purchases, conversion costs and other costs incurred in bringing the inventories to their present location and condition. The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

10. Cash and Cash Equivalents:

Cash and Cash equivalents include cash and Cheque in hand, bank balances, demand deposits with banks and other short-term highly liquid investments that are readily convertible to known amounts of cash & which are subject to an insignificant risk of changes in value where original maturity is three months or less.

11. Foreign Currency Transactions:

a) Initial Recognition

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss of the year.

b) Measurement of Foreign Currency Items at the Balance Sheet Date

Foreign currency monetary items of the Group are restated at the closing exchange rates. Non monetary items are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising out of these transactions are charged to the Statement of Profit and Loss.

12. Revenue Recognition:

Revenue is measured at the value of the consideration received or receivable. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and specific criteria have been met for each of the Group's activities as described below.

Sale of Goods

Revenue from sale of goods is recognised when control of the goods is transferred are to the buyer as per the terms of the contract. 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. Sales are exclusive of Goods and Service Tax (GST).

Rendering of Services

Income from services rendered is recognised based on agreements/ arrangements with the customers as the service is performed/rendered.

Export Incentives

Export incentives received pursuant to the Duty Drawback Scheme and Merchandise Export from India Scheme (MEIS) are accounted on an accrual basis, to the extent it is probable that realization is certain.

Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable and based on Effective interest rate method.

Dividend

Dividend Income is recognized when right to receive the same is established.

13. Employee Benefits:

The Group provides following post-employment plans:

(a) Defined benefit plans such as gratuity and

(b) Defined contribution plans such as Provident fund & Superannuation fund

a) Defined-benefit plan:

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

The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

(a) Service costs comprising current service costs, past-service costs, gains and losses on curtailment and non-routine settlements; and

(b) Net interest expense or income

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

Re-measurement comprising of actuarial gains and losses arising from

(a) Re-measurement of Actuarial(gains)/losses

(b) Return on plan assets, excluding amount recognized in effect of asset ceiling

(c) Re-measurement arising because of change in effect of asset ceiling

Notes to Consolidated Financial Statements for the year ended 31st March, 2022

are recognised in the period in which they occur directly in Other comprehensive income. Re-measurement are not reclassified to profit or loss in subsequent periods.

Ind AS 19 requires the exercise of judgment in relation to various assumptions including future pay rises, inflation and discount rates and employee and pensioner demographics. The Group determines the assumptions in conjunction with its actuaries, and believes these assumptions to be in line with best practice, but the application of different assumptions could have a significant effect on the amounts reflected in the income statement, other comprehensive income and balance sheet. There may be also interdependency between some of the assumptions.

b) Defined-contribution plan:

Under defined contribution plans, provident fund, the Group pays pre-defined amounts to separate funds and does not have any legal or informal obligation to pay additional sums. Defined Contribution plan comprise of contributions to the employees' provident fund with the government, superannuation fund and certain state plans like Employees' State Insurance and Employees' Pension Scheme. The Group's payments to the defined contribution plans are recognised as expenses during the period in which the employees perform the services that the payment covers.

c) Other employee benefits:

(a) Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the obligation as at the Balance sheet date determined based on an actuarial valuation.

(b) Undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the period when the employee renders the related services.

14. Taxes on Income:

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

Current tax is based on taxable profit for the year. Taxable profit is different from accounting profit due to temporary differences between accounting and tax treatments, and due to items that are never taxable or tax deductible. Tax provisions are included in current liabilities. Interest and penalties on tax liabilities are provided for in the tax charge. The Group offsets, the current tax assets and liabilities (on a year on year basis) where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis or to realise the assets and liabilities on net basis.

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements. Deferred income tax asset are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred tax assets are not recognised where it is more likely than not that the assets will not be realised in the future.

The carrying amount of deferred income 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 income tax asset to be utilized. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Minimum Alternative Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Group will pay normal income-tax during the specified period. The Group reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Group will pay normal income-tax during the specified period.

15. Borrowing Cost:

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as a part of Cost of that assets, during the period till all the activities necessary to prepare the Qualifying assets for its intended use or sale are complete during the period of time that is required to complete and prepare the assets 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 recognized as an expense in the period in which they are incurred.

16. Earnings Per Share:

Basic earnings per shares are calculated by dividing the net profit or loss after tax for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to the equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

17. Assets held for disposal:

The Group classifies non-current assets as held for sale if their current carrying amounts will be recovered principally through a sale rather than through continuing use. Such non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less cost to sell. Any expected loss is recognised immediately on statement of profit & loss.

Property, plant & equipment once classified as held for sale are are not depreciated or amortised. Assets and liabilities classified as held for sale are presented separately as current items in the balance sheets.

18. Leases:

Leases Effective April 1, 2019, the Group has adopted Ind AS 116 “Leases” and applied to all lease contracts existing on the date of initial application, using the modified retrospective method along with transition option to recognise right-of-use assets (RoU) at an amount equal to the lease liability.

Where the Group is lessor

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the period in which such benefits accrue.

The Group did not make any adjustments to the accounting for assets held as a lessor as a result of adopting the new lease standard.

The Group as lessee

The Group assesses whether a contract contains a lease, at inception of a contract. At the date of commencement of the lease, the Group recognises a 'right-of-use' asset and a corresponding liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Right-of-use asset are measured at cost comprising the following:

- the amount of initial measurement of liability
- any lease payments made at or before the commencement date less the incentives received
- any initial direct costs, and
- restoration costs

They are subsequently measured at cost less accumulated depreciation and impairment losses.

Notes to Consolidated Financial Statements for the year ended 31st March, 2022

Right-of-use asset are depreciated over the shorter of asset's useful life and the lease term on a straight-line basis. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

Lease liabilities measured at amortised cost include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Company under residual value guarantees
- the exercise price of purchase option if the Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the rate of interest implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lesse's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in the similar economic environment with similar terms, security and conditions.

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract in accordance with Ind AS 116 and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in the statement of profit and loss, unless they are directly attributable to qualifying assets. Variable lease payments are recognised in the statement of profit and loss in the period in which the condition that triggers those payments that occur.

19. Provisions, Contingent Liabilities and Contingent Assets:

A provision is recognised if, as a result of a past event, the group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources or an obligation for which the future outcome cannot be ascertained with reasonable certainty. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are neither recognized nor disclosed in financial statements.

Notes to Consolidated Financial Statements for the year ended 31st March, 2022

(All amounts in ₹ '000, unless otherwise stated)

Note 2 : Property, plant & equipments

Particulars	Freehold Land	Factory Building	Office Premises	Plant & Machinery	Electrical Installation	Furniture	Motor Car	Computer	Office Equipments	Other Equipment	Q.C Equipments	Air Conditioner	Bus	Total
Gross carrying amount														
as at April 01, 2020 (refer note (2) below)	**22,615.08**	**2,31,321.00**	**5,401.47**	**2,03,895.17**	**25,237.23**	**20,351.72**	**22,665.69**	**4,765.42**	**2,975.67**	**1,39,333.73**	**34,357.46**	**2,855.48**	**376.78**	**7,16,151.88**
Additions		3,283.47		25,447.59	46.00	8,190.82	1,847.73	848.32	721.03	3,624.49	1,186.28	445.37		45,641.09
Disposals	-	-	-	(3,526.02)	-	-	(613.42)	-	-	-	-	-	-	(4,139.44)
Transferred to assets held for disposal	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2021	**22,615.08**	**2,34,604.47**	**5,401.47**	**2,25,816.73**	**25,283.23**	**28,542.53**	**23,899.99**	**5,613.74**	**3,696.70**	**1,42,958.22**	**35,543.74**	**3,300.85**	**376.78**	**7,57,653.54**
Additions	-	53,260.46		73,993.95	6,191.30	6,532.84	13,030.10	513.30	631.99	11,975.33	8,309.28	1,346.63		1,75,785.18
Disposals	-	-	-	-	-	-	(380.00)	-	-	-	-	-	-	(380.00)
Transferred to assets held for disposal	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2022	**22,615.08**	**2,87,864.93**	**5,401.47**	**2,99,810.69**	**31,474.53**	**35,075.37**	**36,550.10**	**6,127.04**	**4,328.69**	**1,54,933.55**	**43,853.02**	**4,647.48**	**376.78**	**9,33,058.72**
Accumulated depreciation/Amortisation														
Balance as at April 01, 2020	-	27,289.50	1,253.15	42,304.11	8,226.15	7,205.43	12,639.83	3,152.32	1,581.04	38,249.30	5,565.09	1,015.43	326.46	1,48,807.79
Depreciation/Amortisation charge for the year	-	8,661.79	334.99	16,936.77	1,991.91	2,175.57	3,206.55	1,029.72	545.19	12,075.86	2,557.55	260.63	-	49,776.51
Disposals	-	-	-	(3,003.30)	-	-	(561.69)	-	-	-	-	-	-	(3,564.99)
Transferred to assets held for disposal	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at March 31, 2021	**-**	**35,951.28**	**1,588.14**	**56,237.58**	**10,218.06**	**9,381.00**	**15,284.69**	**4,182.04**	**2,126.23**	**50,325.16**	**8,122.63**	**1,276.06**	**326.46**	**1,95,019.31**
Depreciation/Amortisation charge for the year	-	9,545.17	372.93	20,062.50	2,568.77	3,021.16	2,707.16	726.44	665.70	12,563.55	2,829.45	289.89	-	55,352.73
Disposals	-	-	-	-	-	-	(361.00)	-	-	-	-	-	-	(361.00)
Transferred to assets held for disposal	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at March 31, 2022	**-**	**45,496.46**	**1,961.07**	**76,300.08**	**12,786.83**	**12,402.16**	**17,630.85**	**4,908.48**	**2,791.93**	**62,888.71**	**10,952.08**	**1,565.95**	**326.46**	**2,50,011.04**
Net carrying amount as at March 31, 2021	**22,615.08**	**1,98,653.18**	**3,813.33**	**1,69,579.15**	**15,065.17**	**19,161.53**	**8,615.31**	**1,431.70**	**1,570.47**	**92,633.07**	**27,421.11**	**2,024.79**	**50.33**	**5,62,634.22**
Net carrying amount as at March 31, 2022	**22,615.08**	**2,42,368.47**	**3,440.40**	**2,23,510.60**	**18,687.70**	**22,673.21**	**18,919.25**	**1,218.57**	**1,536.76**	**92,044.85**	**32,900.94**	**3,081.53**	**50.33**	**6,83,047.68**

Note:

1. Refer note no. 36 for disclosure on contractual commitments for the acquisition of property, plant and equipment.
2. The Group has availed the deemed cost exemption in relation to the property, plant and equipment on the date of transition and hence the net block carrying amount has been considered as the gross block carrying amount on that date.

Notes to Consolidated Financial Statements for the year ended 31st March, 2022
(All amounts in ₹ '000, unless otherwise stated)
Note 3 : Capital work-in-progress

Particulars	As at 31st March, 2022	As at 31st March, 2021
Capital work-in-progress	33,423.90	49,108.06
	33,423.90	**49,108.06**

Capital work in progress ageing schedule for the year ended 31 March, 2022

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in Progress	33,423.90	-	-	-	33,423.90
Projects temporarily suspended	-	-	-	-	-
Total	**33,423.90**	**-**	**-**	**-**	**33,423.90**

Capital work in progress ageing schedule for the year ended 31 March 2021

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in Progress	49,108.06	-	-	-	49,108.06
Projects temporarily suspended	-	-	-	-	-
Total	**49,108.06**	**-**	**-**	**-**	**49,108.06**

Note 4 : Intangible assets

Particulars	Software	Total
Gross carrying amount		
cost as at April 01, 2020	**3,725.71**	**3,725.71**
Additions	-	-
Disposals	-	-
Balance as at March 31, 2021	**3,725.71**	**3,725.71**
Additions	180.00	180.00
Disposals	-	-
Balance as at March 31, 2022	**3,905.71**	**3,905.71**

Accumulated depreciation/Amortisation

Particulars	Software	Total
Balance as at April 01, 2020	**1,665.34**	**1,665.34**
Depreciation/Amortisation charge for the year	648.17	648.17
Disposals	-	-
Accumulated depreciation as at March 31, 2021	**2,313.52**	**2,313.52**
Depreciation/Amortisation charge for the year	676.68	676.68
Disposals	-	-
Accumulated depreciation as at March 31, 2022	**2,990.19**	**2,990.19**

Net carrying amount as at March 31, 2021	**1,412.19**	**1,412.19**
Net carrying amount as at March 31, 2022	**915.52**	**915.52**

Notes to Consolidated Financial Statements for the year ended 31st March, 2022
(All amounts in ₹ '000, unless otherwise stated)

Note 5 : Non-Current Investments

Particulars	As at 31st March, 2022	As at 31st March, 2021
Other Equity isntruments, at fair value through profit & loss		
Unquoted, fully paid-up		
The Shamrao Vithal Co-op. Bank Ltd. (319 Shares of Rs. 25/- each)	7.98	7.98
Apna Sahakari Bank Ltd (40,000 Shares of Rs. 25/- each)	1,000.00	1,000.00
Maratha Sahakari Bank Ltd. (25,540 Shares of Rs. 25/- each)	638.50	638.50
Janaseva Sahakari Bank Borivali Ltd (20,000 Shares of Rs. 25/- each)	500.00	500.00
Shivalik Solid Waste Management Ltd (10,000 Shares of Rs. 10/- each)	100.00	100.00
Total	**2,246.48**	**2,246.48**
Aggregate amount of Unquoted investments at cost	2,246.48	2,246.48
Aggregate amount of impairment in the value of investment	-	-

Note 6 : Other financial assets (Non-Current)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unsecured, Considered good		
Security Deposit	4,909.15	4,749.33
Provision for Gratuity	469.60	358.30
Total	**5,378.74**	**5,107.63**

Note 7 : Other assets (Non-Current)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unsecured, Considered good		
Capital Advance	26,449.22	17,076.81
Total	**26,449.22**	**17,076.81**

Note 8 : Inventories

Particulars	As at 31st March, 2022	As at 31st March, 2021
(As taken, valued and certified by the Management)		
(Valued at Cost or Market value, whichever is lower)		
Raw Material	79,161.63	39,409.49
Work in Progress	18,549.96	8,941.51
Finished Goods	16,906.29	5,943.32
Packing Material	62,679.53	36,210.08
Others	21,986.51	17,387.99
Total	**1,99,283.92**	**1,07,892.39**

Note: Inventory write downs are accounted, considering the nature of inventory, ageing,liquidation plan and net realisable value.

Notes to Consolidated Financial Statements for the year ended 31st March, 2022
(All amounts in ₹ '000, unless otherwise stated)

Note 9 : Trade Receivable

Particulars	As at 31st March, 2022	As at 31st March, 2021
Receivables - Unsecured ,Considered good	3,80,753.74	1,67,103.65
Receivables - credit impaired	40,651.14	39,412.76
Less : Allowance for expected credit loss	(40,651.14)	(39,412.76)
Total	**3,80,753.74**	**1,67,103.65**

Trade receivable ageing schedule for the year ended on 31 March, 2022

Particulars	Outstanding for the following periods from the due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables - considered good	3,78,481.31	708.44	785.72	359.00	419.27	3,80,753.74
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables - Credit impaired	-	-	229.23	442.73	39,979.17	40,651.14
Disputed Trade Receivables- Considered good	-	-	-	-	-	-
Disputed Trade Receivables - which have significant	-	-	-	-	-	-
Total	**3,78,481.31**	**708.44**	**1,014.95**	**801.74**	**40,398.44**	**4,21,404.88**
Less : Allowance for expected credit loss			229.23	442.73	39,979.17	40,651.14
Total trade receivable	**3,78,481.31**	**708.44**	**785.72**	**359.00**	**419.27**	**3,80,753.74**

Trade receivable ageing schedule for the year ended on 31 March, 2021

Particulars	Outstanding for the following periods from the due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables - considered good	1,54,939.99	8,705.96	1,905.08	1,395.67	156.95	1,67,103.65
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade Receivables - Credit impaired	-	-		2,179.23	37,233.53	39,412.76
Disputed Trade Receivables - Considered good	-	-	-	-	-	-
Disputed Trade Receivables - which have significant	-	-	-	-	-	-
Total	**1,54,939.99**	**8,705.96**	**1,905.08**	**3,574.91**	**37,390.48**	**2,06,516.41**
Less : Allowance for expected credit loss	-	-	-	2,179.23	37,233.53	39,412.76
Total trade receivable	**1,54,939.99**	**8,705.96**	**1,905.08**	**1,395.67**	**156.95**	**1,67,103.65**

Notes to Consolidated Financial Statements for the year ended 31st March, 2022
(All amounts in ₹ '000, unless otherwise stated)

Note 10 : Cash and Cash Equivalents

Particulars	As at 31st March, 2022	As at 31st March, 2021
(a) Cash on Hand	135.05	211.85
(b) Balance with Scheduled Banks		
- In Current Accounts	43,486.15	1,602.41
Total	**43,621.19**	**1,814.26**

Note 11 : Bank balances other than cash & cash equivalents

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balance with Scheduled Banks		
- In Fixed Deposit Account	14,188.65	10,842.79
(Lodged as margin money against bank guarantee)		
Total	**14,188.65**	**10,842.79**

Note 12 : Loans

Particulars	As at 31st March, 2022	As at 31st March, 2021
Unsecured, considered good		
Loans and Advances to Employees	4,750.33	8,567.50
Total	**4,750.33**	**8,567.50**

Note 13 : Other current assets

Particulars	As at 31st March, 2022	As at 31st March, 2021
Advances recoverable in cash or in kind or for value to be received	18,747.51	18,820.19
Advance to Supplier	1,155.34	1,127.62
Balance with Government Authorities		
Balance with GST	36,423.65	11,021.61
GST Refund Receivable	4,161.79	1,661.50
Sales Tax	-	146.38
Total	**60,488.28**	**32,777.31**

Note 14 : Assets classified as held for sale

Particulars	As at 31st March, 2022	As at 31st March, 2021
Land	5,570.91	5,570.91
Other Property, Plant & Equipments	31,834.22	31,834.22
Less: Impairment of assets classfied as held for sale	-	-
Total	**37,405.13**	**37,405.13**

Note:

The Company intends to dispose off its certain part of property, plant & equipment as it no longer intends to utilise in the next 12 months. It was previously used in its manufacturing facility at Silvassa.

An impairment loss has been recognised on reclassification of the Property, Plant & equipment as held for sale and the Company expects to realise fair value less cost to sell to be higher than carrying amount.

An active program to locate the buyer and to complete the sale has already been initiated.

Notes to Consolidated Financial Statements for the year ended 31st March, 2022
(All amounts in ₹ '000, unless otherwise stated)

Note 15 : Share Capital

Particulars	As at 31st March, 2022	As at 31st March, 2021
Authorised: 130,00,000 (100,00,000) Equity Shares of Rs. 10/- each	1,30,000.00	1,00,000.00
Total	**1,30,000.00**	**1,00,000.00**
Issued, Subscribed and Paid up: 98,14,866 (85,04,866) Equity Shares of Rs.10/- each fully paid up (of the above 53,04,866 shares of Rs. 10/- each were issue at the time of scheme of amalgamation)	98,148.66	85,048.66
Total	**98,148.66**	**85,048.66**
(i) Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period :		
Number of shares at the beginning of the year	85,04,866	85,04,866
Add: Issued during the year	13,10,000	-
Number of shares at the end of the year	**98,14,866**	**85,04,866**

(ii) On March 22, 2022, the Company allotted 29,80,750 Warrants convertible into 29,80,750 Equity shares at a price (including the warrant subscription price and the warrant exercise price) of Rs. 43.50/- each, aggregating up to Rs. 12,96,62,625/- on a preferential basis to Promoters of the Company (Preferential Issue). The Company received the subscription money of Rs. 3,24,15,657/- for allotment of 29,80,750 Warrants convertible into Equity Shares, being 25% of the Issue price of Rs. 43.50/- of the Warrants at Rs. 10.875/- per Warrant, towards the warrant subscription price. The entire proceeds have been utilised for the objects of the Preferential Issue.

(iii) On March 30, 2022, the Company allotted 13,10,000 Equity Shares of face value of Rs. 10/- each fully paid up issued at a premium of Rs. 33.50/- per equity share to Promoters of the Company upon exercise of option of conversion of 13,10,000 Warrants by the Promoters. The Issue Price of the Warrant was Rs. 43.50/- per warrant of which 25% was paid by the Promoters on subscription of warrants on March 22, 2022 and the balance 75% i.e. Rs. 32.625/- per warrant being the Warrant Exercise Price was paid by the Promoters. The entire proceeds have been utilised for the objects of the Preferential Issue. Pursuant to allotment of the Equity Shares in the Preferential Issue, the paid-up share capital of the Company stood increased on March 30, 2022 from Rs. 8,50,48,660/- to Rs. 9,81,48,660/- comprising of 98,14,866 equity shares of face value of Rs. 10/- each and securities premium reserve by Rs. 4,38,85,000/-.

(iv) Terms/rights attached to Equity Shares

The Company has only one class of equity shares having a par value of Rs. 10 per shares. Each holder of Equity Shares is entitled to one vote per share. 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

(v) Detail of shares held by the holding company, the ultimate holding company, their subsidiaries and associates :	Nil	Nil

Notes to Consolidated Financial Statements for the year ended 31st March, 2022
(All amounts in ₹ '000, unless otherwise stated)

(vi) Details of Shares held by each shareholder holding more than 5% shares :

Name of Shareholder	As at 31st March, 2022		As at 31st March, 2021	
	No. of Shares	%	No. of Shares	%
Baiju Shah	8,90,261	9.07%	6,28,261	7.39%
Binoy Shah	13,69,600	13.95%	13,69,600	16.10%
Ila Shah	9,22,872	9.40%	6,60,872	7.77%
Mihir Shah	11,41,250	11.63%	11,41,250	13.42%
Pragna Shah	8,01,887	8.17%	5,39,887	6.35%
Prakash Shah	9,37,426	9.55%	6,75,426	7.94%
Ami Shah	5,69,720	5.80%	-	-

(vii) Details of shares held by promoters

Shares held as at 31 March, 2022

Name of Promoter	No of shares at beginning of the year	Change during the year	No of shares at end of the year	% of total shares
Baiju Shah	6,28,261	2,62,000	8,90,261	41.70%
Binoy Shah	13,69,600	-	13,69,600	-
Ila Shah	6,60,872	2,62,000	9,22,872	39.64%
Mihir Shah	11,41,250	-	11,41,250	-
Pragna Shah	5,39,887	2,62,000	8,01,887	48.53%
Prakash Shah	6,75,426	2,62,000	9,37,426	38.79%
Ami Shah	3,07,720	2,62,000	5,69,720	85.14%

Shares held as at 31 March, 2021

Name of Promoter	No of shares at beginning of the year	Change during the year	No of shares at end of the year	% of total shares
Baiju Shah	6,28,261	-	6,28,261	-
Binoy Shah	13,69,600	-	13,69,600	-
Ila Shah	6,60,872	-	6,60,872	-
Mihir Shah	11,41,250	-	11,41,250	-
Pragna Shah	5,39,887	-	5,39,887	-
Prakash Shah	6,75,426	-	6,75,426	-
Ami Shah	3,07,720	-	3,07,720	-

Note 16 : Reserves & Surplus

Particulars	As at 31st March, 2022	As at 31st March, 2021
Share Premium	43,885.00	-
Capital Reserve on Consolidation	1,622.61	1,622.61
General Reserve	63,665.78	63,665.78
Surplus in Statement of profit & loss	2,56,731.76	1,74,303.26
Accumulated other comprehensive income - Acturial Gains/(Losses)	(359.18)	796.43
Money Received Against Share Warrant	18,169.41	-
Total	**3,83,715.39**	**2,40,388.09**

Notes to Consolidated Financial Statements for the year ended 31st March, 2022
(All amounts in ₹ '000, unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
A) Share Premium		
Opening Balance		
Add: Transferred on Issue of shares during the year	43,885.00	-
Closing Balance	**43,885.00**	**-**
B) Capital Reserve on Consolidation		
Opening Balance	1,622.61	1,622.61
Add: Transferred from surplus in Statement of Profit and Loss	-	-
Closing Balance	**1,622.61**	**1,622.61**
C) General Reserve Account		
Opening Balance	63,665.78	63,665.78
Add: Transferred from surplus in Statement of Profit and Loss	-	-
Closing Balance	**63,665.78**	**63,665.78**
D) Surplus / (Deficit) in Statement of Profit and Loss		
Opening Balance	1,74,303.26	1,77,943.08
Add/(Less): profit/(loss) for the year	82,428.50	-3,639.82
Add/(Less): Amortisation of land transfer to asset held for disposal	-	-
Closing Balance	**2,56,731.76**	**1,74,303.26**
E) Other Comprehensive icome		
Opening Balance	796.43	-329.76
Add/(Less): for the year	(1,155.61)	1,126.19
Closing balance	**(359.18)**	**796.43**
F) Money Received Against Share Warrant		
Opening Balance	-	-
Add: Amount Received during the year	75,154.41	-
Less : Transferred on Issue of shares during the year	(56,985.00)	-
Closing Balance	**18,169.41**	**-**
Total	**3,83,715.39**	**2,40,388.09**

Note 17 : Borrowings

Particulars	As at 31st March, 2022	As at 31st March, 2021
Secured		
Term Loans		
- from Banks	1,64,918.27	1,37,142.72
Car Loans		
- From Banks	9,187.93	2,277.24
Unsecured		
From Intercorporates	-	338.00
Total	**1,74,106.20**	**1,39,757.96**

Terms and Conditions

a) The term loan is secured by way of secured mortgage of office premises situated at Building No 8, Jogani Industrial Complex, Chunabhatti, Mumbai and equitable mortgage of Land, Building located at Plot No. 182, Village Gurumajra, Tehsil Nalagarh, Dist. Solan, Himachal Pradesh and other immovable & Hypothecation of movable machineries and personal guarantee by the directors.

b) All the vehicle loans are secured by way of Hypothecation of respective vehicle.

Notes to Consolidated Financial Statements for the year ended 31st March, 2022
(All amounts in ₹ '000, unless otherwise stated)

c) Repayment Profile of Term Loans is as set out below:

Rate of Interest (%)	Bank/Loan	Nature of Loan	Banlance No of Installments	Installments ending on
10.25%	Apna Sahakari Bank Ltd	Term Loan	31	October 2024
10.25%	Apna Sahakari Bank Ltd	Term Loan	1 to 65	April 2022 to August 2027
7.70%	Kotak Mahindra Bank Ltd	Term Loan	72	March 2028
7.50%	Kotak Mahindra Bank Ltd	WCTL	36	July 2025
7.50%	Kotak Mahindra Bank Ltd	WCTL	36	December 2025
8.20%	HDFC Bank Ltd	Car Loan	39	June 2025
9.00%	HDFC Bank Ltd	Car Loan	40	July 2024
7.10%	HDFC Bank Ltd	Car Loan	58	November 2026

Note 18 - Provisions

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provision for Gratuity	2,344.77	2,031.60
Provision for Leave Encashment	2,400.09	548.05
Total	**4,744.86**	**2,579.64**

Note 19 : Short Term Borrowing

Particulars	As at 31st March, 2022	As at 31st March, 2021
Secured		
Working Capital Facility		
- From banks	1,00,658.66	75,972.72
Current Maturities of Long Term Debts	53,618.77	52,103.13
Unsecured		
From Directors , Payable on demand	3,26,302.49	2,88,366.18
Total	**4,80,579.91**	**4,16,442.03**

(Working Capital facility from Banks is secured by way of Hypothecation of stocks, book debts and entire current assets of the company. The facility is further secured by pari passu charge on fixed assets and personal guarantee of all the Directors of the company.)

Note 20 : Trade Payables

Particulars	As at 31st March, 2022	As at 31st March, 2021
Trade Payables:		
Total outstanding dues of micro enterprises and small enterprises*	1,21,836.88	37,694.34
Total outstanding dues of creditors other than micro enterprises and small enterprises	98,941.67	24,623.15
Total	**2,20,778.55**	**62,317.49**

*The Management has identified enterrpises which have provided goods and services to the Company and which qualify under the definition of micro and small medium Enterprises Development Act, 2006. accordingly, the disclosure in respect of amounts payable to such enterprises as at March 31, 2022 and March 31, 2021 a has been made in the financial statements based on the information received and available with the Company.

Notes to Consolidated Financial Statements for the year ended 31st March, 2022
(All amounts in ₹ '000, unless otherwise stated)

Particulars		As at 31st March, 2022	As at 31st March, 2021
(a)	Amount remaining unpaid to any supplier at the end of each accounting year/ period:		
	Principal	1,21,836.88	37,694.34
	Interest	-	-
	Total	**1,21,836.88**	**37,694.34**
(b)	The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
(d)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act.-	-	-

Trade payables ageing schedule for the year ended on 31 March, 2022

Particulars		Outstanding for the following periods from the due date of payment				
	Not due	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	50,625.80	71,211.08	-	-	-	1,21,836.88
Others	67,658.22	28,325.54	1,227.64	-	1,730.26	98,941.67
Total	**1,18,284.02**	**99,536.63**	**1,227.64**	**-**	**1,730.26**	**2,20,778.55**

Trade payables ageing schedule for the year ended on 31 March, 2021

Particulars		Outstanding for the following periods from the due date of payment				
	Not due	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	14,241.42	23,452.92	-	-	-	37,694.34
Others	12,751.19	10,141.70	-	645.62	1,084.64	24,623.15
Total	**26,992.61**	**33,594.62**	**-**	**645.62**	**1,084.64**	**62,317.49**

Notes to Consolidated Financial Statements for the year ended 31st March, 2022
(All amounts in ₹ '000, unless otherwise stated)

Note 21 : Other Financial Liabilities

Particulars	As at 31st March, 2022	As at 31st March, 2021
Interest Accrued But Not Due	1,468.88	-
Sundry Creditors for Expenses	88,022.15	57,569.71
Total	**89,491.03**	**57,569.71**

Note 22 - Other current liabilities

Particulars	As at 31st March, 2022	As at 31st March, 2021
Statutory Remittances	7,982.33	4,607.85
Advances from Customers	48.10	976.76
Total	**8,030.42**	**5,584.61**

Note 23 - Short-Term Provision

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provision for gratuity	669.72	510.62
Provision for leave encashment	240.72	51.89
Total	**910.44**	**562.51**

Note 24 : Revenue from Operations

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Sale of Goods	12,87,872.95	6,15,765.91
Sale of Services - Labour Charges	3,42,443.67	2,84,834.03
Total	**16,30,316.62**	**9,00,599.94**

Note 25 : Other Income

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Dividend	15.00	15.00
Interest Received on FDR	887.00	805.41
Interest on Income Tax Refund	655.94	-
Interest on VAT Refund	7.35	-
Duty Drawback Received	632.60	284.43
Export Incentives (MEIS)	-	652.91
Exchange Gain	821.71	2.27
Profit on sale of asset	31.00	105.55
Rent Received	180.00	180.00
Interest from security deposit	66.62	57.00
Total	**3,297.22**	**2,102.56**

Notes to Consolidated Financial Statements for the year ended 31st March, 2022
(All amounts in ₹ '000, unless otherwise stated)

Note 26 : Cost of Material Consumed

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
(A) Raw Materials Consumed :		
Opening Stock	75,619.58	78,266.52
Add:- Purchases during the year	9,77,523.37	4,01,435.89
	10,53,142.95	**4,79,702.40**
Less: Closing Stock	1,41,841.16	75,619.58
Total	**9,11,301.79**	**4,04,082.83**

Note 27 : Purchase of Stock in Trade

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Opening Stock of Finished Goods Traded	-	-
Add: Purchases during the year	5,704.59	9,030.47
	5,704.59	9,030.47
Less: Closing Stock of Finished Goods Traded	3,993.57	-
Total	**1,711.03**	**9,030.47**

Note 28 : Changes In Inventories

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
(a) At the beginning of the period		
(i) Finished Goods	5,943.32	9,194.78
(ii) Work in Progress	8,941.51	10,164.85
(b) At the end of the period		
(i) Finished Goods	12,912.72	5,943.32
(ii) Work in Progress	18,549.96	8,941.51
Total	**(16,577.86)**	**4,474.81**

Note 29 : Employes Benefits Expenses

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Salaries and Wages	1,53,330.70	1,23,758.27
Bonus & Exgratia	6,218.06	740.47
Staff Welfare Expenses	3,142.00	3,667.67
Gratuity Paid	2,023.62	1,615.09
Employer's Contribution to Provident Fund	7,040.89	5,392.97
Contribution to ESIC	1,657.27	1,269.35
Leave encashment	885.21	390.79
Total	**1,74,297.74**	**1,36,834.60**

Notes to Consolidated Financial Statements for the year ended 31st March, 2022
(All amounts in ₹ '000, unless otherwise stated)

Note 30 : Finance Cost

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Bank Charges & Commission	610.53	988.56
Interest Paid to Bank - Working Capital	7,989.56	6,431.41
Interest Paid to Bank - Term Loan	18,543.16	21,797.78
Interest on Vehicle Loan	504.33	338.22
Interest to Others	2,894.20	1,456.39
Interest expenses on unwinding of discounts	39.55	27.01
Interest paid on unsecured loans	21,299.11	19,576.87
Interest on leased assets	422.18	194.40
Total	**52,302.63**	**50,810.65**

Note 31: Depreciation and amortization expense

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Depreciation on property, plant and equipment	55,352.73	49,776.51
Amortisation of intangible assets	676.68	648.17
Amortisation of Right to use of lease assets	2,625.78	1,172.34
Total	**58,655.19**	**51,597.02**

Note 32 : Other Expenses

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
(A) Manufacturing Expenses		
Analytical Charges, Chemical & Glassware Consumed	18,627.56	14,757.41
Consumable & Stores	8,591.83	4,680.66
Power & Fuel Consumed	51,497.18	42,397.43
Factory Expenses	6,967.76	6,248.80
Freight & Octroi	14,102.00	9,987.97
Loading Unloading & Packing Charges	1,01,669.60	71,762.43
License Fees	639.92	502.59
Job Work Charges Paid	4,258.38	1,456.02
Repair & Maintenance		
-Plant & Machinery	19,448.37	11,344.77
-Building	7,493.25	9,785.03
-Other	14,556.08	9,197.28
Security Charges	5,815.26	5,306.76
Pollution Control Expenses	60.00	60.00
	2,53,727.19	**1,87,487.15**
(B) Selling and Distribution Expenses		
Sales Promotion Expenses	4,261.47	2,438.43
Advertisement Expenses	154.16	155.97
Commission on Sale	110.00	129.00
CHA Charges	918.52	449.49
Freight & Octroi (Export & Outward)	12,922.25	7,644.32
Export Insurance	54.47	24.31
Product Dev & Registration	2,788.23	448.35
Travelling Expenses	3,870.34	1,023.47
	25,079.43	**12,313.33**

Notes to Consolidated Financial Statements for the year ended 31st March, 2022
(All amounts in ₹ '000, unless otherwise stated)
Note 32 : Other Expenses (Contd.)

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
(C) Administrative and General Expenses		
Rent Rates & Taxes	7,252.45	8,040.19
Insurance	5,805.10	4,760.91
Legal & Professional Fees	16,534.88	15,322.74
Payment to Auditors		
As auditor :		
- Statutory and Tax audit fees	600.00	600.00
In other capacity:		
- Taxation Matters	-	40.00
- Other matters	40.00	65.00
ROC Filing Fees	315.40	17.10
Office Expenses	614.10	592.33
Conveyance	2,703.76	2,972.63
Sundry Balances W/off	487.28	801.32
Printing & Stationery	974.84	660.70
Telephone Expenses	695.65	696.45
Postage & Courier	974.02	699.38
Donation	1,025.00	51.20
Motor Car Expenses	4,584.12	3,185.17
Electricity Charges	882.00	521.63
Membership & subscription	196.27	145.67
Other Expenses	2,071.07	4,661.53
Listing Fees	480.00	300.00
Corporate Social Responsibility Expenses	3,000.00	1,000.00
Exchange Loss	-	539.51
Expected credit losses	1,238.38	1,235.69
	50,474.32	**46,909.14**
Total	**3,29,280.94**	**2,46,709.62**

33 Income taxes

(a) Tax expense recognised in the Statement of profit and loss:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Current tax		
Current year	26,700.00	1,952.79
Short Provision for Tax for earlier years	1.00	1,328.62
MAT Credit	-	(1,952.79)
Total current tax	26,701.00	1,328.62
Deferred tax		
Relating to origination and reversal of temporary difference	13,358.55	1,458.31
Total deferred income tax expense/(credit)	13,358.55	1,458.31
Total income tax expense/(credit)	**40,059.55**	**2,786.93**

Notes to Consolidated Financial Statements for the year ended 31st March, 2022
(All amounts in ₹ '000, unless otherwise stated)

A reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows :

(b) Reconciliation of effective tax rate

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit /(loss) before taxation	1,22,642.39	(837.49)
Enacted income tax rate in India	25.17%	25.17%
Tax at the enacted income tax rate	30,866.64	(210.78)
Reconciliation line items:		
Tax rate difference for subsidiary	3,045.67	97.34
Tax credit not recognised	-	613.29
Tax pertaining to Earlier Years	1.00	1,328.62
Others	6,146.24	958.46
Tax expense/ (credit)	**40,059.55**	**2,786.93**

(C) The movement in deferred tax assets and liabilities during the year ended March 31, 2022 and March 31, 2021:

Particulars	As at April 01, 2021	Credit/ (charge) in Statement of profit and loss	As at March 31, 2022
Deferred tax assets (liabilities)			
On losses and unabsorbed depreciation	24,211.52	(7,185.55)	17,025.97
On Account of Depreciation	(43,244.33)	(6,752.16)	(49,996.48)
On expenses allowable on payment basis	287.92	1,014.77	1,302.69
	(18,744.89)	**(12,922.93)**	**(31,667.83)**

Particulars	As at April 01, 2020	Credit/ (charge) in Statement of profit and loss	As at March 31, 2021
Deferred tax assets (liabilities)			
On losses and unabsorbed depreciation	22,940.59	1,270.92	24,211.52
On Account of Depreciation	(40,672.16)	(2,572.17)	(43,244.33)
On expenses allowable on payment basis	837.86	(549.95)	287.92
	(16,893.71)	**(1,851.19)**	**(18,744.89)**

34 DISCLOSURE PURSUANT TO IND AS - 19 "EMPLOYEE BENEFITS"

i) **Gratuity:** In accordance with the applicable laws, the Company provides for gratuity, a defined benefit retirement plan ("The Gratuity Plan") covering eligible employees. The Gratuity Plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation on the reporting date.

Notes to Consolidated Financial Statements for the year ended 31st March, 2022
(All amounts in ₹ '000, unless otherwise stated)

The disclosure in respect of the defined Gratuity Plan are given below:

A. Balance Sheet

Particulars	Defined benefit plans	
	As at March 31, 2022	As at March 31, 2021
Present value of plan liabilities	9,801.67	8,034.68
Fair value of plan assets	7,256.78	5,850.76
Asset/(Liability) recognised	**2,544.89**	**2,183.92**

B. Movements in plan assets and plan liabilities

Particulars	Present value of obligations	Fair Value of Plan assets
As at 1st April 2021	**8,034.68**	**5,850.76**
Current service cost	1,911.63	-
Past service cost	-	-
Interest Cost/(Income)	521.98	455.39
Return on plan assets excluding amounts included in net finance income/cost	-	17.26
Actuarial (gain)/loss arising from changes in demographic assumptions	-	-
Actuarial (gain)/loss arising from changes in financial assumptions	(367.76)	-
Actuarial (gain)/loss arising from experience adjustments	471.76	-
Employer contributions	-	1,033.43
Benefit payments	(770.62)	(100.06)
As at 31st March 2022	**9,801.67**	**7,256.78**

Particulars	Present value of obligations	Fair Value of Plan assets
As at 1st April 2020	**6,674.86**	**5,482.14**
Current service cost	1,547.62	-
Past service cost	-	-
Interest Cost/Income	443.43	375.95
Return on plan assets excluding amounts included in net finance income/cost	-	25.16
Actuarial (gain)/loss arising from changes in demographic assumptions	-	-
Actuarial (gain)/loss arising from changes in financial assumptions	39.13	-
Actuarial (gain)/loss arising from experience adjustments	(236.62)	-
Employer contributions	-	73.56
Benefit payments	(433.74)	(106.04)
As at 31st March 2021	**8,034.68**	**5,850.76**

Notes to Consolidated Financial Statements for the year ended 31st March, 2022
(All amounts in ₹ '000, unless otherwise stated)

C. Statement of Profit and Loss

Particulars	As at March 31, 2022	As at March 31, 2021
Employee Benefit Expenses:		
Current service cost	1,911.63	1,547.62
Interest cost/(income)	66.59	67.47
Total amount recognised in Statement of Profit & Loss	**1,978.22**	**1,615.09**
Remeasurement of the net defined benefit liability:		
Return on plan assets excluding amounts included in net finance income/(cost)	(17.26)	(25.16)
Actuarial gains/(losses) arising from changes in Demographic assumptions		-
Actuarial gains/(losses) arising from changes in financial assumptions	(367.76)	39.13
Experience gains/(losses)	471.76	(236.62)
Total amount recognised in Other Comprehensive Income	**86.75**	**(222.64)**

D. Assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

The significant actuarial assumptions were as follows:

	As at March 31, 2022	As at March 31, 2021
Financial Assumptions		
Discount rate	6.77%	6.77%
Salary Escalation Rate	5.00%	5.00%

E. Major categories of plan assets of the fair value of the total plan assets are as follows:

	As at March 31, 2022	As at March 31, 2021
Insurance policies	100%	100%

F. Sensitivity

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

Particulars	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1.00%	8,895	10,881
Salary Escalation Rate	1.00%	10,942	8,828

The sensitivity analysis above have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period and may not be representative of the actual change. It is based on a change in the key assumption while holding all other assumptions constant. When calculating the sensitivity to the assumption, the same method used to calculate the liability recognised in the balance sheet has been applied. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared with the previous period.

Notes to Consolidated Financial Statements for the year ended 31st March, 2022
(All amounts in ₹ '000, unless otherwise stated)

G. The defined benefit obligations shall mature after year end 31st March, 2022 as follows:

Year ending March 31, 2022	Defined benefit obligation
2023	669.72
2024	1,299.02
2025	480.42
2026	387.96
2027	1,945.73
Thereafter	1,939.99

The weighted average duration of the defined benefit obligation is 15.45

35 Contingent liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Claims against the Company not acknowledged as debts		
(I) Guarantees given by banks	1,000.00	1,000.00
(ii) liabilities that may arise in respect of disputed matters in relation to		
- Excise duty	6,317.00	6,317.00
- Goods and Service Tax	2,091.33	-
- Service Tax	1,554.60	-
'- Transfer of Lease Rights for plots situated at Silvassa	16,464.95	-
(iii) Others	-	-
	27,427.88	**7,317.00**

Note: - The Group's pending litigations comprise of claims against the Group and proceedings pending with tax and other authorities. The Group has reviewed all its pending litigations and proceedings and has made adequate provisions, wherever required and disclosed the contingent liabilities, wherever applicable, in its financial statements. The Group does not reasonably expect the outcome of these proceedings to have a material impact on its consolidated financial statements.

36 Commitments

Estimated value of contracts on capital account, excluding capital advances, remaining to be executed and not provided for as on 31st March, 2022 was Rs 313 Lacs (Previous Year Rs 398 Lacs)

37 Earning Per share

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Profit after tax available for equity shareholders	82,582.84	(3,624.42)
Weighted average number of equity shares	8,512.04	8,504.87
Nominal value of equity shares	10	10
Basic and diluted Earning Per Share	9.70	(0.43)

38 Net debt reconciliations

Particulars	As at March 31, 2022	As at March 31, 2021
Non-Current borrowings	1,74,106.20	1,39,757.96
Current borrowings (including current maturities)	4,80,579.91	4,16,442.03
	6,54,686.11	**5,56,199.99**

Notes to Consolidated Financial Statements for the year ended 31st March, 2022
(All amounts in ₹ '000, unless otherwise stated)

Changes in liability arising from financing activities	For the year ended March 31, 2022
Net debt as at April 01, 2021	**5,56,199.99**
Cash flows	98,446.57
Unwinding of discounts on Interest free loan	39.55
Borrowing cost	-
Net debt as at March 31, 2022	**6,54,686.11**

39 Financial instruments

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for expected losses of these receivables. Accordingly, fair value of such instruments is not materially different from their carrying amounts.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The carrying amounts and fair values of financial instruments by category are as follows:

As at March 31, 2022

Particulars	FVOCI	FVTPL	Amortised cost	Total fair value	Carrying amount
Financial assets					
Investments	-	-	2,246.48	2,246.48	2,246.48
Trade receivables	-	-	3,80,753.74	3,80,753.74	3,80,753.74
Cash and cash equivalents	-	-	43,621.19	43,621.19	43,621.19
Other bank balances		-	14,188.65	14,188.65	14,188.65
Loans		-	4,750.33	4,750.33	4,750.33
Other financial assets	-	-	5,378.74	5,378.74	5,378.74
Total	-	-	**4,50,939.13**	**4,50,939.13**	**4,50,939.13**
Financial liabilities					
Borrowings	-	-	6,54,686.11	6,54,686.11	6,54,686.11
Trade payables	-	-	2,20,778.55	2,20,778.55	2,20,778.55
Others	-	-	89,491.03	89,491.03	89,491.03
Total	-	-	**9,64,955.69**	**9,64,955.69**	**9,64,955.69**

Notes to Consolidated Financial Statements for the year ended 31st March, 2022
(All amounts in ₹ '000, unless otherwise stated)

As at March 31, 2021

Particulars	FVOCI	FVTPL	Amortised cost	Total fair value	Carrying amount
Financial assets					
Investments	-	-	2,246.48	2,246.48	2,246.48
Trade receivables	-	-	1,67,103.65	1,67,103.65	1,67,103.65
Cash and cash equivalents	-	-	1,814.26	1,814.26	1,814.26
Other bank balances	-	-	10,842.79	10,842.79	10,842.79
Loans			8,567.50	8,567.50	8,567.50
Other financial assets	-	-	5,107.63	5,107.63	5,107.63
Total	**-**	**-**	**1,95,682.30**	**1,95,682.30**	**1,95,682.30**
Financial liabilities					
Borrowings	-	-	5,56,199.99	5,56,199.99	5,56,199.99
Trade payables	-	-	62,317.49	62,317.49	62,317.49
Others	-	-	57,569.71	57,569.71	57,569.71
Total	**-**	**-**	**6,76,087.19**	**6,76,087.19**	**6,76,087.19**

There were no significant changes in classification and no significant movements between the fair value hierarchy classifications of financial assets and financial liabilities during the period.

40 Financial risk factors

The Group's principal financial liabilities comprise loans and borrowings, advances and trade and other payables. The purpose of these financial liabilities is to finance the Group’s operations and to provide to support its operations. The Group’s principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Group's activities exposes it to Liquidity Risk, Market Risk and Credit risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised as below.

(a) Liquidity risk

The risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk management implies maintenance sufficient cash including availability of funding through an adequate amount of committed credit facilities to meet the obligations as and when due.

The Company manages its liquidity risk by ensuring as far as possible that it will have sufficient liquidity to meet its short team and long term liabilities as and when due. Anticipated future cash flows are expected to be sufficient to meet the liquidity requirements of the Company.

Notes to Consolidated Financial Statements for the year ended 31st March, 2022
(All amounts in ₹ '000, unless otherwise stated)

(i) The following is the contractual maturities of the financial liabilities:

Particulars	Carrying amount	Payable on demand	1-12 months	More than 12 months
As at March 31, 2022				
Non-derivative liabilities				
Borrowings	6,54,686.11	3,26,302.49	1,54,277.43	1,74,106.20
Trade payables	2,20,778.55	-	2,20,778.55	-
Other financial liabilities	89,491.03	-	89,491.03	-
	9,64,955.69	**3,26,302.49**	**4,64,547.01**	**1,74,106.20**
As at March 31, 2021				
Non-derivative liabilities				
Borrowings	5,56,199.99	2,88,366.18	1,28,075.85	1,39,757.96
Trade payables	62,317.49	-	62,317.49	-
Other financial liabilities	57,569.71	-	57,569.71	-
	6,76,087.19	**2,88,366.18**	**2,47,963.06**	**1,39,757.96**

(b) 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: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk includes investment, deposits, foreign currency receivables and payables. The Company's treasury team manages the Market risk, which evaluates and exercises independent control over the entire process of market risk management.

(i) Foreign currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company has foreign currency trade payables and receivables and is therefore exposed to foreign exchange risk. The exchange rates have been volatile in the recent years and may continue to be volatile in the future. Hence the operating results and financials of the Company may be impacted due to volatility of the rupee against foreign currencies.

Unhedged Foreign currency exposure

Particulars	Trade receivables	
	In Foreign Currency	**In INR**
As at March 31, 2022		
- USD	112.12	8,542.05
As at March 31, 2021		
- USD	29.56	2,172.61

(ii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. According to the Company interest rate risk exposure is only for floating rate borrowings. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Exposure to Interest rate risk	As at March 31, 2022	As at March 31, 2021
Total borrowings	6,54,686.11	5,56,199.99
% of Borrowings out of above bearing variable rate of interest	87.90%	94.76%

Notes to Consolidated Financial Statements for the year ended 31st March, 2022
(All amounts in ₹ '000, unless otherwise stated)

Interest rate sensitivity

A change of 50 bps in interest rates would have following Impact on profit before tax:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
50 bp increase would decrease the profit before tax by	2,877.37	2,635.20
50 bp decrease would increase the profit before tax by	(2,877.37)	(2,635.20)

(c) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations. The Company is exposed to credit risks from its operating activities, primarily trade receivables, cash and cash equivalents, deposits with banks and other financial instruments.Credit risk is managed by the Company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business.

Exposure to the Credit risks	As at March 31, 2022	As at March 31, 2021
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)		
- Trade Receivables	3,80,753.74	1,67,103.65

Trade and other receivables

The Company considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risks on an ongoing basis throughout each reporting period.

To assess whether there is a significant change increase in credit risk the Company compares the risks of default occurring on the assets as at the reporting date with the risk of default as at the date of initial recognition. It considers the reasonable and supportive forward looking information such as:

(i) Actual or expected significant adverse changes in business.

(ii) Actual or expected significant changes in the operating results of the counterparty.

(iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations

(iv) Significant increase in credit risk on other financial instruments of same counterparty

Ageing of the accounts receivables

	As at March 31, 2022	As at March 31, 2021
< 180 days	3,78,481.31	1,54,939.99
> 180 days	2,272.43	12,163.66
	3,80,753.74	1,67,103.65

Notes to Consolidated Financial Statements for the year ended 31st March, 2022
(All amounts in ₹ '000, unless otherwise stated)

41 (a) Financial risk factors

Capital risk management

The Parent Company's objectives when managing capital are to :

(i) safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

(ii) maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Parent Company may issue new shares, adjust the amount of dividends paid to shareholders etc. The Group's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Group will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The Company monitors capital using a gearing ratio being a ratio of net debt as a percentage of total capital.

	As at March 31, 2022	As at March 31, 2021
Total equity	4,81,864.05	3,25,436.75
Net debt (Total borrowings less cash and cash equivalents)	6,11,064.92	5,54,385.73
Total capital (Borrowings and Equity)	**10,92,928.96**	**8,79,822.48**
Gearing ratio	55.91%	63.01%

(b) Dividends

The Group follows the policy of Dividend for every financial year as may be decided by Board considering financial performance of the company and other internal and external factors enumerated in the Company dividend policy.

42 Segment Reporting

The Group's Board of Directors consisting of Managing Director has been identified as the Chief Operating Decision Maker (CODM) as defined under Ind AS 108 "Operating Segments". The CODM evaluates the Group's performance and allocated the resources based on an analysis of various performance indicators . The Company is primarily engaged in the business of Manufacture of Pharmaceuticals, Medicinal products and the management considers these business activities as a single reportable segment.

43 Related party disclosure under Ind AS 24

Name of related parties and description of relationship

(a) Key managerial personnel
Mr. Prakash M. Shah, Director
Mr. Baiju M. Shah, Director
Mrs. Ami M. Shah, Director

(b) Relative of key managerial personnel
Mr. Binoy B. Shah, Son of Mr. Baiju M. Shah
Mr. Mihir P. Shah, Son of Mr. Prakash M. Shah
Mrs. Niyoshi B. Shah Wife of Mr. Binoy B. Shah

(c) Concern in which KMP and/or Relatives of KMP is interested
M/s Naxpar Health Concepts Pvt. Ltd.
M/s. Novomed Pharma Pvt. Ltd.
M/s. Naxpar Medicamentos LLP
M/s. Naxpar Pharma FZ LLC

Notes to Consolidated Financial Statements for the year ended 31st March, 2022
(All amounts in ₹ '000, unless otherwise stated)

Transactions with Related parties

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of Material		
Naxpar Health Concepts Pvt. Ltd.	4,979.94	2,444.91
Naxpar Medicamentos LLP	2,106.00	6,498.69
Naxpar Pharma FZ LLC	197.56	827.90
Purchase of Material		
Naxpar Health Concepts Pvt. Ltd.	2,647.21	2,335.20
Salary Paid to Key Management Personnel & their Relatives		
Mr. Prakash M. Shah	5,400.00	4,200.00
Mr. Baiju M. Shah	5,400.00	4,200.00
Mr. Mihir P. Shah	6,000.00	4,800.00
Mr. Binoy Shah	6,000.00	4,950.00
Interest Paid on Loan		
Mrs. Ami M. Shah	4,416.81	5,079.41
Mr. Mihir P. Shah	9,553.25	7,592.22
Mr. Baiju M. Shah	7,329.06	6,905.23
Rent Received		
Naxpar Medicamentos LLP	180.00	180.00
Rent Paid		
Mr. Mihir P. Shah	198.00	198.00
Mrs. Ami M. Shah	480.00	480.00
Mrs. Niyoshi B. Shah	480.00	480.00
Loan Taken		
Mr. Mihir P. Shah	33,026.33	1,02,800.00
Mr. Baiju M. Shah	57,400.00	14,500.00
Mr. Prakash M. Shah	-	475.00
Loan Repaid		
Mr. Mihir P. Shah	21,965.00	17,982.78
Mr. Baiju M. Shah	33,834.22	5,213.44
Mrs. Ami M. Shah	7,200.00	150.00
Mr. Prakash M. Shah	8,660.00	-
Deposit given		
Mrs. Ami M. Shah	-	100.00

Notes to Consolidated Financial Statements for the year ended 31st March, 2022
(All amounts in ₹ '000, unless otherwise stated)

Balances as at

Particulars	As at March 31, 2022	As at March 31, 2021
Salary Payable		
Mr. Prakash M. Shah	1,551.66	217.67
Mr. Baiju M. Shah	868.98	480.58
Mr. Mihir P. Shah	800.15	8.67
Mr. Binoy Shah	2,556.17	1,448.94
Unsecured loan from KMP		
Mr. Prakash M. Shah	3,041.75	11,701.75
Mr. Baiju M. Shah	1,30,118.91	99,956.98
Mrs. Ami M. Shah	55,778.24	59,003.11
Mr. Mihir P. Shah	1,37,363.59	1,17,704.34
Unsecured Loan from concern in which KMP and/or Relatives of KMP is interested		
Novomed Pharma Pvt. Ltd.	-	338.00
Payable to Concern in which KMP and/or Relatives of KMP is interested		
Naxpar Health Concepts Pvt. Ltd.	121.72	-
Receivable from Concern in which KMP and/or Relatives of KMP is interested		
Naxpar Health Concepts Pvt. Ltd.	2,024.16	1,528.31
Naxpar Medicamentos LLP	2,594.52	2,906.76
Naxpar Pharma FZ LLC	1,083.84	841.64
Deposit received from concern in which KMP and/or Relatives of KMP is interested		
Naxpar Medicamentos LLP	30.00	30.00
Payable to Key Management Personnel & their Relatives		
Mr. Mihir P. Shah	396.00	148.50
Mr. Baiju M. Shah	-	358.00
Mrs. Ami M. Shah	36.00	-
Mrs. Niyoshi B. Shah	118.80	442.00
Deposit with Key Management Personnel & their Relatives		
Mrs. Ami M. Shah	300.00	300.00
Mrs. Niyoshi B. Shah	200.00	200.00

Notes to Consolidated Financial Statements for the year ended 31st March, 2022
(All amounts in ₹ '000, unless otherwise stated)

44 Leases

The Company as a Lessee

The Company's leases primarily consists of leases for land and buildings and offices and equipment. Generally, the contracts are made for fixed periods and does not have a purchase option at the end of the lease term. In a case where the Company has purchase option, the option is exercisable at nominal value and the Company's obligations are secured by the lessor's title to the leased assets for such leases.

(i) Amounts recognised in the Balance Sheet

The balance sheet shows the following amounts relating to the leases:

	As at March 31, 2022	As at March 31, 2021
Right-of-use assets		
Land	35,513.07	32,594.46
Total	**35,513.07**	**32,594.46**
Leases Liabilities		
Current	4,485.89	1,263.74
Non Current	31,561.50	31,552.96
Total	**36,047.39**	**32,816.70**

Maturity analysis of lease liabilities

	As at March 31, 2022	As at March 31, 2021
Within one year	4,485.89	1,263.74
Later than one year but within five years	5,685.18	4,307.33
Later than five year	25,876.31	27,245.63
Total	**36,047.39**	**32,816.70**

(ii) Amounts recognised in the Statement of Profit & Loss

	Note No.	As at March 31, 2022	As at March 31, 2021
Depreciation charge of right of use assets	31	2,625.78	1,172.34
Interest expense on lease liabilities (included in finance cost)	30	422.18	194.40
Expense relating to short term and low value leases (included in other expense)	32	6,932.09	7,696.81

(iii) Extension and termination option

Extension and termination options are included in various property leases executed by the company. These are used to maximise operational flexibility in terms of managing the assets used in company's operations. Generally, these options are exercisable mutually by both the lessor and the lessee.

45 Details of Benami Property Held

No proceedings have been initiated during the financial year or pending as at the end of the financial year against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

46 Relationship with Struck off Companies

The Company have not entered into any transaction during the current or previous financial year with the companies whose names have been struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 and there is no outstanding receivable from / payable to such companies as at the end of year.

Notes to Consolidated Financial Statements for the year ended 31st March, 2022
(All amounts in ₹ '000, unless otherwise stated)

47 Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual currency during the current or preceeding financial year.

48 Utilisation of Borrowed funds and share premium

The Company have not advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) to or in any other persons or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).

The Company have also not received any fund from any parties (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

49 Undisclosed income

The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

50 Wilful Defaulter

The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender in the current or preceeding financial year.

51 Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017 for the financial years ended 31 March 2022 and 31 March 2021.

52 Compliance with approved Scheme(s) of Arrangements

There is no any scheme of Arrangement or Amalgamation initiated or approved by the Board of Directors and / or Shareholders of the Company or competent authority during the year ended 31 March 2022 and 31 March 2021 or in earlier years.

53 Event after reporting date

There have been no events after the reporting date.

54 Recent accounting and other pronouncements :

A) New Standards issued or amendments to the existing standard but not yet effective :

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.On 23 March 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below.

(a) Ind AS 16 – Property Plant and equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2022. The Company has evaluated the amendment and there is no impact on its financial statements.

(b) Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets – The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2022, although early adoption is permitted. The Company has evaluated the amendment and there is no impact on its financial statements.

Notes to Consolidated Financial Statements for the year ended 31st March, 2022
(All amounts in ₹ '000, unless otherwise stated)

(c) **Ind AS 103 - Business combinations –** The amendment adds a new exception in Ind AS 103 for liabilities and contingent liabilities.

(d) **Ind AS 109 - Financial instruments –** The amendment clarifies which fees an entity includes when it applies the '10%' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

B) other recent pronouncements :

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Employee Benifit Plan. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on 13 November 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

55 The Group is yet to receive balance confirmations in respect of certain financial assets and financial liabilities. The Management does not expect any material difference affecting the current year's financial statements due to the same.

56 For disclosures mandated by Schedule III of Companies Act, 2013, by way of additional information

Particulars	Parent Company	Subsidiary	Total
Net assets i.e. total assets - total liabilities			
Amount	1,27,494.80	3,55,288.46	4,82,783.26
As a % of Consolidated net assets	26%	74%	100%
Share in Profit & Loss			
Amount	5,415.03	77,167.81	82,582.84
As a % of Consolidated Profit & loss	7%	93%	100%
Share in Other Comprehensive Income			
Amount	(214.19)	(943.31)	(1,157.50)
As a % of Consolidated other comprehensive income	19%	81%	100%
Share in Total Comprehensive Income			
Amount	5,200.85	76,224.49	81,425.34
As a % of total Comprehensive income	6%	94%	100%

57 The consolidated financial statements were approved for issue by the Board of Directors on May 30, 2022.

58 The figures of the previous year's have been regrouped or reclassified wherever necessary to make them comparable.

As per our report of even date
For C. N. Patel & Co.
Chartered Accountants
Firm's Registration No : 112552W

Sd/-

CA Manish Mandhana
Partner
M. No. 112026
Place : Mumbai
Date: 30th May, 2022

For and on behalf of the Board of Directors
of Parnax Lab Ltd.

Sd/-
Prakash M. Shah
Director & CEO
DIN 00440980

Sd/-
Baiju M. Shah
Managing Director & CFO
DIN 00440806

Sd/-
Preet Kukreja
Company Secretary

NOTES

FORM NO SH-13

Nomination Form

[Pursuant to section 72 of the Companies Act, 2013 and rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014]

To,
PARNAX LAB LIMITED.
Gala No. 114, Bldg. No. 8,
Jogani Industrial Complex,
Chunabhatti,
Mumbai-400022.
Dist. Mumbai

I/We____ the holder(s) of the securities particulars of which are given hereunder wish to make nomination and do hereby nominate the following persons in whom shall vest, all the rights in respect of such securities in the event of my/our death.

(1) PARTICULARS OF THE SECURITIES (in respect of which nomination is being made)

Nature of Securities	Folio No.	No of Securities	Certificate No	Distinctive No

(2) PARTICULARS OF NOMINEE/S –

a) Name :
b) Date of Birth:
c) Father's/Mother's/Spouse's name:
d) Occupation:
e) Nationality:
f) Address:
g) E-mail Id:
h) Relationship with the security holder:

(3) IN CASE NOMINEE IS A MINOR -

a) Date of Birth:
b) Date of attaining majority:
c) Name of guardian:
d) Address of guardian:

Name: ____

Address: ____

Name of the Security Holder(s):____

Signature____

Witness with the name and address: ____

Parnax Lab Limited

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