



- TEL : 022 6825 2525
- FAX : 022 - 2405 7708
- E-Mail : info@naxparlab.com
- Visit us at: www.naxparlab.com
- CIN No. : L36912MH19B2PLC027925

# Parnax Lab Ltd.

(Formerly Known as Krishna Deep Trade & Investment Ltd.)

114 BLDG NO B JOGANAND COMPLEX,  
SION-CHUNABHATTI, MUMBAI - 400 022 INDIA

Date: 07<sup>th</sup> September, 2021

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 2020-21**

Dear Sir / Madam,

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, Please find enclosed the 39<sup>th</sup> Annual Report of the Company for the Financial Year 2020-21 which is being sent to the shareholders of the Company through electronic mode.

Kindly take the above information on your record.

Thanking You.

Yours Faithfully,  
**FOR PARNAX LAB LIMITED**

**PREET KUKREJA**  
**COMPANY SECRETARY AND COMPLIANCE OFFICER**



# **Parnax Lab Limited**

**39<sup>th</sup>**

**Annual Report  
2020 - 2021**



# 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. Manharbhai N Jhavari (DIN 03571525)	: Independent and Non-Executive Director (Upto 27 <sup>th</sup> February, 2021)
Mr. Tirunillai V Anantharaman (DIN 07147028)	: Independent and Non-Executive Director
Mrs. Ami M Shah (DIN 03101049)	: Women Director
Mr. Yogesh Varia (DIN 09186184)	: Additional Independent and Non-Executive Director (w.e.f. 28 <sup>th</sup> May, 2021)

## Company Secretary and Compliance Officer

Ms. Namrata Kambli (Upto. 31<sup>st</sup> May, 2021)  
Ms. Preet Kukreja (w.e.f. 21<sup>st</sup> June, 2021)

## Internal Auditor

M/s. P S D & Associates  
Chartered Accountants  
FRN - 004501C

## Statutory Auditors:

M/s. Ladha Singhal & Associates  
Chartered Accountants  
FRN - 120241W

## Secretarial Auditor

M/s HS & Associates

## 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

Contents	Page No.
<b>STATUTORY REPORTS</b>	
Notice	1
Board's Report	15
Management Discussion and Analysis Report	28
• AOC-1	30
• AOC-2	31
CEO/CFO Certification; Declaration on Code of Conduct	32
Secretarial Audit Report	34
<b>FINANCIALS STATEMENTS</b>	
Standalone Financial Statements	
• Independent Auditor's Report	37
• Balance Sheet	44
• Profit and Loss Statement	45
• Cash Flow Statement	46
Consolidated Financial Statements	
• Independent Auditor's Report	78
• Balance Sheet	84
• Profit and Loss Statement	85
• Cash Flow Statement	86

## NOTICE

**NOTICE IS HEREBY GIVEN THAT THE 39<sup>TH</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF PARNAX LAB LIMITED WILL BE HELD ON THURSDAY, 30<sup>TH</sup> DAY OF SEPTEMBER, 2021 AT 12.00 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. To receive, consider and adopt the standalone and consolidated audited annual accounts for the year ended March 31, 2021 along with notes thereon as on that date and the Reports of Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Ami Shah (DIN: 03101049), who retires by rotation and being eligible offers herself for Re-appointment.
3. **Appointment of 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**

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

**“RESOLVED THAT** pursuant to Sections 139, 142 of the Companies Act, 2013 (“Act”) and other applicable provisions, if any, of the said Act and Companies (Audit and Auditors) Rules, 2014 made thereunder and other applicable rules, if any, under the said Act (including any statutory modification(s) or re-enactment thereof for the time being in force), and pursuant to recommendations of the Audit Committee and Board of Directors **M/s. C N Patel & Co., Chartered Accountants (Firm Registration No. (FRN) 112552W)**, be and is hereby appointed as the Statutory Auditors of the Company for a term of five consecutive years to hold office from the conclusion of this 39<sup>th</sup> Annual General Meeting till the conclusion of the 44<sup>th</sup> Annual General Meeting, at a remuneration as may be mutually agreed to, between the Board of Directors & M/s. C.N.Patel & Co..

**RESOLVED FURTHER THAT** the Board of Directors or any other person authorized by the Board of Directors of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be deemed necessary to give effect to this resolution.”

### SPECIAL BUSINESS:

4. To approve the Related Party Transactions and in this regard, to consider and if thought fit to pass the following resolution, with or without modification, as an **ORDINARY RESOLUTION**:

**“RESOLVED THAT** pursuant to the provisions of Section 188 read with the applicable Rules under Companies (Meetings of Board and its Powers) Rules, 2014 of the Companies Act, 2013 (“the Act”) and any other applicable provisions of the Act read with Regulation 27(2) of the Listing Obligation and Disclosure Requirements (including any amendment, modification(s) or reenactment thereof), the consent of the members of the Company be and is hereby accorded to ratify, continue and enter into, the related party transactions with related parties as defined under section 2(76) of the Companies Act, 2013 as per the details given below:

<b>Name of the related party</b>	Naxpar Pharma Private Limited	Naxpar Pharma FZ LLC	Naxpar Health Concepts Private Limited	Naxpar Medicamentos LLP
<b>Name of the Director or KMP who is related, if any</b>	1.Mr. Prakash Mahasukhlal 2.Mr. Baiju Mahasukhlal Shah	Mrs. Ami Mihir Shah	Mrs. Ami Mihir Shah	Mrs. Ami Mihir Shah
<b>Nature of Relationship</b>	Subsidiary Company	Concern in which KMP and Relative of KMP is interested.	Concern in which KMP and Relative of KMP is interested.	Concern in which KMP and Relative of KMP is interested.
<b>Nature, Material terms monetary value and particulars of the contract or Arrangement.</b>	Nature: Purchase and Sales of Goods and Services, Materials Value: Not exceeding to Rupees 3 Crore each transaction. Duration: On continual basis	Nature: Sales of Goods and Services, Materials Value: Not exceeding to Rupees 1 Crore each transaction. Duration: On continual basis	Nature: Purchase of Goods and Services, Materials Value: Not exceeding to Rupees 1 Crore each transaction. Duration: On continual basis	Nature: Sale of Goods and Services, Materials Value: Not exceeding to Rupees 1 Crore each transaction. Duration: On continual



**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board and/or its committee be and is hereby authorized to do all such acts, deeds, matters and things as the Board may in its absolute discretion deem necessary, desirable or expedient and to settle any questions and difficulties that may arise in the matter and incidental thereto, without being required to seek any further consent or approval of the members of the Company shall be deemed to have given their consent, authority and approval thereto expressly by the authority of this resolution.”

**5. Appointment of Mr. Yogesh Varia (DIN: 09186184) as Non-Executive Independent Director of the Company.**

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

**“RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152 read with schedule IV and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) read with Companies (Appointment and Qualification of Directors) Rules, 2014, and other applicable provisions, sections, rules of the Companies Act, 2013 (hereinafter referred to as “the Act”) (including any statutory modifications or re-enactment thereof for the time being in force), **Mr. Yogesh Varia (DIN: 09186184)** who was appointed by the Board of Directors as an Additional Director of the Company w.e.f. 28<sup>th</sup> May, 2021, pursuant to Section 161 of the Act and who holds office upto the date of this ensuing Annual General Meeting of the Company and in respect of whom, the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company and who is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has submitted the declaration that he meets the criteria for Independence as provided under the Act and the Listing Regulations, be and is hereby appointed as a Non-Executive Independent Director of the Company, on the Board of the Company to hold office for a term upto 5(five) consecutive years from the date of appointment i.e. 28<sup>th</sup> May, 2021 to 27<sup>th</sup> May, 2026, not liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors or any other person authorized by the Board of Directors of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be deemed necessary to give effect to this resolution.”

**By the Order of the Board of Directors  
For Parnax Lab Limited  
Sd/-  
Preet Kukreja  
Company Secretary**

**Date: 14<sup>th</sup> August, 2021,  
Place: Mumbai**

**Registered Office:**  
Gala No. 114, Bldg. No. 8,  
Jogani Industrial Complex,  
Chunabhatti, Mumbai-400022.  
CIN: L36912MH1982PLC027925

**Notes:**

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“the Act”), relating to the Ordinary and Special Business at Sr. 3, 4 & 5 to be transacted at the Annual General Meeting is annexed hereto. 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. 5 of the Notice, is also annexed.
2. In view of the continuing Covid-19 pandemic and social distancing norms, 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 and General Circular No.02/2021 dated January 13, 2021 (hereinafter collectively referred to as “MCA Circulars”) and SEBI vide its Circular dated 15<sup>th</sup> January, 2021 reference no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 extended relaxations granted under circular dated 12<sup>th</sup> May, 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, 39<sup>th</sup> 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 Annual General Meeting 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 Annual General Meeting 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 to hs@hsassociates.net 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 39<sup>th</sup> Annual General Meeting of the Company along with the Annual Report for the financial year 2020-21 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 circular issued by SEBI dated May 12, 2020. Members may note that the Notice of Annual General Meeting and Annual Report for the financial year 2020-21 will also be available on the Company’s website at www.naxparlab.com and also on website of the Stock Exchanges i.e BSE Limited at www.bseindia.com. Members can attend and participate in the Annual General Meeting through VC/OAVM facility only.
7. The Register of Members and the Share Transfer Books of the Company will be closed from **Thursday, 23<sup>rd</sup> September, 2021 to Thursday, 30<sup>th</sup> September, 2021** (both days inclusive) for the purpose of the Thirty-Nine Annual General Meeting of the Company.
8. Since the 39<sup>th</sup> AGM will be held through VC/OAVM, the route map is not annexed.
9. Members are requested to:
  - i) Register their email ID and 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) Kindly log in to the website of our RTA, Link Intime India Private Ltd., www.linkintime.co.in under Investor Services > Email/ Bank detail Registration - fill in the details and upload the required documents and submit.





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 Agents, 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 dematerialised 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) Members may avail themselves of the facility of nomination in terms of Section 72 of the Companies Act, 2013 by nominating in the prescribed form a person to whom their shares in the Company shall vest in the event of their death. Members holding shares in physical form may obtain the Nomination forms from the Company’s Registrar and Share Transfer Agents and Members holding shares in electronic form may obtain the Nomination forms from their respective Depository Participant(s).

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.

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, C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai - 400 083.

11. 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](mailto:compliance@naxparlab.com).

12. 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.

13. 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.

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

15. SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/ GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialized form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.

16. 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 Secretaries 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 39<sup>th</sup> 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 (LIPL).

- ii. The remote e-voting period commences on **Monday, September 27, 2021 (9:00 a.m. IST) and ends on Wednesday, September 29, 2021 (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, 22<sup>nd</sup> September, 2021 may cast their vote electronically. The remote e-voting module shall be disabled by Link In Time India Private Limited e-voting platform for voting thereafter.
- iii. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Wednesday, 22<sup>nd</sup> September, 2021, 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 be entitled 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, Partner of M/s. HS Associates, 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 <http://www.naxparlab.com/> and on the website of Link Intime India Privet Limited 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 30, 2021 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 9<sup>th</sup> June, 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
<p><b>Individual Shareholders holding securities in demat mode with NSDL</b></p>	<ul style="list-style-type: none"> <li>• 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: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> 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.</li> <li>• 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 &amp; voting during the meeting.</li> <li>• If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>• Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to 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 &amp; voting during the meeting.</li> </ul>
<p><b>Individual Shareholders holding securities in demat mode with CDSL</b></p>	<ul style="list-style-type: none"> <li>• 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 <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>• After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINK NTIME, CDSL. Click on e-Voting service provider name to cast your vote.</li> <li>• If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi./Registration/EasiRegistration">https://web.cdslindia.com/myeasi./Registration/EasiRegistration</a></li> <li>• Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.</li> </ul>

Type of shareholders	Login Method
<b>Individual Shareholders (holding securities in demat mode) &amp; login through their depository participants</b>	<ul style="list-style-type: none"> <li>• You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.</li> <li>• 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 &amp; voting during the meeting.</li> </ul>
<b>Individual Shareholders holding securities in Physical mode &amp; evoting service Provider is LINKINTIME.</b>	<ol style="list-style-type: none"> <li>1. Open the internet browser and launch the URL : <a href="https://instavote.linkintime.co.in">https://instavote.linkintime.co.in</a> <ul style="list-style-type: none"> <li>▶ Click on “<b>Sign Up</b>” under ‘<b>SHARE HOLDER</b>’ tab and register with your following details: -               <ol style="list-style-type: none"> <li><b>A. User ID:</b> Shareholders/ members holding shares in <b>physical form shall provide</b> Event No + Folio Number registered with the Company.</li> <li><b>B. PAN:</b> 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.</li> <li><b>C. DOB/DOI:</b> Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)</li> <li><b>D. Bank Account Number:</b> Enter your Bank Account Number (last four digits), as recorded with your DP/Company.</li> </ol> </li> <li>• Shareholders/ members holding shares in <b>physical form</b> but have not recorded ‘C’ and ‘D’, shall provide their Folio number in ‘D’ above</li> <li>▶ Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&amp;*), at least one numeral, at least one alphabet and at least one capital letter).</li> <li>▶ Click “confirm” (Your password is now generated).</li> </ul> </li> <li>2. Click on ‘Login’ under ‘<b>SHARE HOLDER</b>’ tab.</li> <li>3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on ‘<b>Submit</b>’.</li> <li>4. After successful login, you will be able to see the notification for e-voting. Select ‘<b>View</b>’ icon.</li> <li>5. E-voting page will appear.</li> <li>6. Refer the Resolution description and cast your vote by selecting your desired option ‘<b>Favour / Against</b>’ (If you wish to view the entire Resolution details, click on the ‘<b>View Resolution</b>’ file link).</li> <li>7. After selecting the desired option i.e. Favour / Against, click on ‘<b>Submit</b>’. A confirmation box will be displayed. If you wish to confirm your vote, click on ‘<b>Yes</b>’, else to change your vote, click on ‘No’ and accordingly modify your vote.</li> </ol>

#### Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL 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 LIPL 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 <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 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](mailto: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).<sup>2</sup>

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](mailto: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 panellist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panellist 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](mailto: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

**Details of the Directors seeking appointment/re-appointment at the 39<sup>th</sup> Annual General Meeting**

Details of the Directors seeking appointment/re-appointment at the 39<sup>th</sup> Annual General Meeting Pursuant to Regulation 26(3) Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and clause 1.2.5 of Secretarial Standard – 2 on General Meetings issued by the Institute of Company Secretaries of India

<b>I</b>	<b>Name of Director</b>	<b>Mrs. Ami Mihir Shah</b>	<b>Mr. Yogesh Kantilal Varia</b>
<b>II</b>	<b>Director Identification Number</b>	03101049	09186184
<b>III</b>	<b>Date of Appointment</b>	31.03.2015	28.05.2021
<b>IV</b>	<b>Date of Birth</b>	12.09.1976	02.06.1954
<b>V</b>	<b>Age</b>	44	67
<b>VI</b>	<b>Nationality</b>	Indian	Indian
<b>VII</b>	<b>Qualification</b>	Graduate	Graduate
<b>VIII</b>	<b>Brief resume including profile, experience and expertise in specific functional areas</b>	She has experience in the Pharmaceutical industry, handling marketing in both domestic and export market. She has travelled to many countries and visited important industrial commercial capitals all over the world.	He has more than Thirty Five years of experience in the Business administrative and Management of Business. He has vast knowledge and varied experience which is of great value to the Company
<b>IX</b>	<b>Shareholding of Director in the Company as March 31, 2021</b>	307720 Equity Shares	Nil
<b>X</b>	<b>Directors Inter-se relationship</b>	Daughter in law of Prakash M Shah	-
<b>XI</b>	<b>Years of experience</b>	17	35
<b>XII</b>	<b>Directorship held in other companies (including the Company) as on March 31, 2021</b>	Naxpar Health Concepts Private Limited Parmax Lab Limited	Naxpar Pharma Private Limited Parmax Lab Limited
<b>XIII</b>	<b>Names of other listed entities in which the person also holds the directorship and the membership of Committees of the board</b>	Nil	Nil





**Explanatory Statement Pursuant to Section 102 Of the Companies Act, 2013**

**Item No. 03:**

Pursuant to the provisions of Section 139 of the Act and the Rules framed thereunder, the Members of the Company at the 35<sup>th</sup> Annual General Meeting (“AGM”) held on 29<sup>th</sup> September, 2017 had appointed M/s. Ladha Singhal & Associates, Chartered Accountants, (Firm Registration No. 120241W) as the Statutory Auditors of the Company for a period of 4 consecutive years to hold office from the conclusion of the 35<sup>th</sup> AGM till the conclusion of the 39<sup>th</sup> AGM of the Company, subject to the ratification by the Members at every AGM.

The tenure of M/s Ladha Singhal & Associates as Statutory Auditors of the Company would be expiring at the ensuing AGM, basis on the recommendation of Audit Committee, the Board of Directors at its Meeting held on **August 14, 2021** has approved the appointment of **M/s. C N Patel & Co, Chartered Accountants as Statutory Auditors** of the Company, subject to the approval of the Members at the ensuing AGM. Hence, it is proposed to the appointment of M/s. C N Patel & Co, Chartered Accountants as the Statutory Auditors of the Company for a term of **5 consecutive years** to hold office from the conclusion of this ensuing AGM till the conclusion of 44<sup>th</sup> AGM of the Company at a remuneration to be decided by the Board of Directors in consultation with the Statutory Auditors subject to the provisions of the Listing Regulations and the Act, as amended from time to time.

M/s C N Patel & Co, Chartered Accountants have given their consent to act as the Statutory Auditors of the Company and have confirmed that the said appointment, if made, will be in accordance with the conditions prescribed under Sections 139 and 141 of the Act.

**Proposed Terms and conditions and remuneration:**

Terms of Appointment:	M/s. C N Patel & Co, Chartered Accountants will hold office for a term of 5 years from the conclusion of this AGM till the conclusion of 44 <sup>th</sup> AGM of the Company.
Proposed Fees payable	M/s. C N Patel & Co, Chartered Accountants are appointed for a period of 5 years at a remuneration decided by the Board or as mutually agreed between the Board of Directors of the Company and the Statutory Auditors. The proposed fees is based on knowledge, expertise, industry experience, time and efforts required to be put in by M/s. C N Patel & Co, Chartered Accountants during their association with the Company. The proposed fees are also in line with the industry benchmarks.
Credentials of M/s C N Patel & Co, Chartered Accountants	M/s. C N Patel & Co, Chartered Accountants started in 1 <sup>st</sup> April, 1970, and registered with the Institute of Chartered Accountants of India. The methodology, working environment, compensation strategy and technical resources of M/s. C N Patel & Co, Chartered Accountants are designed to attract and retain the best people.

Accordingly, the Board recommends the Ordinary Resolution set out at Item No. 3 for approval by the Members.

None of the Directors, Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.3 of the Notice.

**Item No. 04:**

The Provisions of Section 188 read with Rule 15(3) of the Companies (Meeting of the Board and its Power) Rules 2014 of the Companies Act 2013 (“the Act”) and Regulation 27(2) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulation 2015 provides that certain kind of transactions as tabled below with related parties as define u/s 2(76) of the Act, hereinafter referred to as ‘Related Party Transactions’ or ‘RPT’, beyond the prescribed limits requires approval of members of the Company.

In the light of provisions of Companies Act 2013, the Board of Directors of your Company has ratified, continued and approved the transactions with related parties entered or to be entered into with them, subject to the limit specified in the resolution.

The details as per the requirements of Rule 15(3) of the companies (Meeting of the Board and its Power) Rules 2014 are given in the resolution.

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.

**Item No. 05:**

On recommendations of the Nomination and Remuneration Committee, the Board of Directors had appointed Shri. Yogesh Kantilal Varia (DIN: 09186184) as an Additional Independent Director of the Company not liable to retire by rotation, for a term of 5 (five) years w.e.f. May 28, 2021 to May 27, 2026, subject to approval of the Members.

Pursuant to the provisions of Section 161(1) of the Companies Act, 2013 ("the Act") and the Articles of Association of the Company, he holds office up to the date of this 39<sup>th</sup> Annual General Meeting ("AGM") and is eligible to be appointed as a Director. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from a Member, proposing candidature of Shri. Yogesh Kantilal Varia (DIN:09186184) for the office of Director. The Company has received declaration from Shri. Yogesh Kantilal Varia (DIN:09186184) to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act read with the Rules framed thereunder and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations").

In terms of Regulation 25(8) of the Listing Regulations, he has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties. In the opinion of the Board, he fulfills the conditions specified in the Act, Rules and Listing Regulations for appointment as an Independent Director and he is independent of the Management of the Company.

The Company has received following documents from Shri. Yogesh Kantilal Varia (DIN: 09186184):

- i. Letter of consent to act as a Director in the prescribed Form DIR-2 pursuant to Section 152 of the Act and Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014;
- ii. Letter of intimation in the prescribed Form DIR-8 pursuant to Section 164 of the Act and Rule 14 of Companies (Appointment and Qualification of Directors) Rules, 2014 to the effect that he is not disqualified to become a Director under the Act;
- iii. Declaration that he meets the criteria of independence as provided under section 149 of the Act or Listing Regulations.

The Nomination and Remuneration Committee has recommended appointment of Shri. Yogesh Kantilal Varia (DIN: 09186184) as an Independent Director for a term of 5 (five) consecutive years w.e.f. May 28, 2021 to May 27, 2026. In the opinion of the Board of Directors, Shri. Yogesh Kantilal Varia (DIN:09186184) fulfills the conditions specified in the Act, Rules made thereunder and the Listing Regulations, as amended, for his appointment as an Independent Director of the Company and that he is independent of the Management and is not disqualified to become Director under the Act. The Board believes that his association would be of immense benefit to the Company and it is desirable to avail his services as an Independent Director.

Accordingly, the Board of Directors recommends his appointment as a Non-Executive Independent Director of the Company, not liable to retire by rotation. The brief profile of Shri. Yogesh Kantilal Varia (DIN:09186184), nature of his expertise, names of Companies in which he holds Directorships, shareholding in the Company, etc. pursuant to the provisions of Listing Regulations and Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India are set out in the annexure forming part of this Notice. The terms & conditions of his re-appointment, consent to act as Director, declaration by proposed appointee and notice received u/s 160 of the Act, shall be open for inspection by the Members at the Registered Office of the Company during business hours on any working day of the Company up to the date of this 39<sup>th</sup> AGM and will also be kept open during the AGM until conclusion of AGM.

None of the Directors or Key Managerial Personnel of the Company/ their relatives are in any way concerned or interested, financially or otherwise, in the Ordinary Resolution set out at Item No. 5 of the Notice. The Board recommends passing of the Ordinary Resolution set out in Item no. 5 of accompanying Notice.

**By the Order of the Board of Directors  
For Parnax Lab Limited  
Sd/-  
Preet Kukreja  
Company Secretary**

**Date: 14<sup>th</sup> August, 2021,  
Place: Mumbai**

**Registered Office:**

Gala No. 114, Bldg. No. 8,  
Jogani Industrial Complex,  
Chunabhatti, Mumbai-400022.  
CIN: L36912MH1982PLC027925



**To,**  
**RTA**  
**Unit: Parnax Lab Ltd,**

**Add- Updation of Shareholding Information**

I/We request you to record the following information against my/our Folio No:

**General Information:**

<b>Folio No:</b>	
<b>Name of the first Named Shareholder:</b>	
<b>PAN:*</b>	
<b>CIN/Registration No.:*</b> <b>(applicable to Corporate Shareholders)</b>	
<b>Tel No. with STD Code:</b>	
<b>Mobile No.:</b>	
<b>Email Id:</b>	

\*Self-attested copy of the Document(s) enclosed

**Bank Details:**

<b>IFSC:</b> <b>(11Digit)</b>	
<b>MICR:</b> <b>(9 Digit)</b>	
<b>Bank A/c Type:</b>	
<b>Bank A/c No.:</b>	
<b>Name of the Bank:</b>	
<b>Bank Branch Address:</b>	

\*A blank cancelled cheque is enclosed to enable verification of bank details

I/We hereby declare that the Particulars given above are correct and complete .If the transaction is delayed because of incomplete or incorrect information, I/We would not hold the Company/RTA responsible .I/we undertake to inform any subsequent changes in the above details shall be maintained till I/We held the securities under the above mentioned Folio No. /beneficiary account.

**Place:**

**Date:**

\_\_\_\_\_  
**Signature of Sole / First holder**

**DIRECTORS' REPORT**

To,

**The members of  
Parnax Lab Limited.**

Your Directors have pleasure in presenting the 39<sup>th</sup> Annual Report together with the Audited Financial Statements for the year ended on 31<sup>st</sup> March, 2021.

**1. FINANCIAL RESULTS:**

The financial performance of the Company for the financial year ended March 31, 2021 is summarised below: -

**(Standalone basis)**

**Amount in Rs.**

<b>Particulars</b>	<b>For the year ended on 31<sup>st</sup> March, 2021</b>	<b>For the year ended on 31<sup>st</sup> March, 2020</b>
<b>Revenue from Operations</b>	<b>2,37,27,622</b>	<b>7,67,95,425</b>
Profit/ (Loss) before Depreciation and Tax	(1,20,96,888)	(42,81,898)
Less: Depreciation	4,39,558	4,38,360
Tax Expenses	(12,13,265)	1,53,24,837
Net Profit/ (Loss) for the year	(1,13,23,182)	(2,00,45,095)
Add. Profit & Loss A/c Bal of Previous year	(9,09,99,422)	(7,09,54,327)
Appropriations:		
Proposed Dividend	Nil	Nil
Dividend Distribution Tax – on Proposed Dividend	N.A.	N.A.
Transfer to General Reserve	Nil.	Nil
<b>Balance c/fd to Balance Sheet as at 31.03.2021</b>	<b>(10,23,22,604)</b>	<b>(9,09,99,422)</b>

**2. STATEMENT OF COMPANY'S AFFAIRS:**

During the year the revenue from operations on standalone basis is **Rs. 2,37,27,622 (Rupees Two Crores Thirty Seven Lakhs Twenty Seven Thousand Six Hundred and Twenty Two Only)** as compared to previous years Revenue is **Rs. 7,67,95,425 (Seven Crores, Sixty Seven Lakhs Ninety Five Thousand Four Hundred and Twenty Five Only)**. The Company is hopeful to improve the result in coming years.

**3. DIVIDEND:**

The Board recommended no dividend shall be declared for the Financial Year ended on 31<sup>st</sup> March, 2021.

**4. TRANSFER TO RESERVES:**

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

**5. 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.

**6. EXTRACT OF ANNUAL RETURN:**

The Extract of Annual Return in Form MGT – 9 pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12 (1) of Companies (Management and Administration), Rules 2014 are as per **Annexure II** to this Report.

**7. MANAGEMENT DISCUSSION AND ANALYSIS:**

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

**8. SUBSIDIARY COMPANY:**

The Company has one Subsidiary Company as on March 31, 2021 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 silent features of the financial statements of the company's subsidiary in Form AOC-1 is attached to the set Report in **Annexure IV** to this Report.

**9. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

During the year 2020-21 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 V** to this Report. The policy on Related Party Transactions is available on Company's website- [www.naxparlab.com](http://www.naxparlab.com)

**10. 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.

**11. DEPOSITS:**

During the Financial Year 2020-21. The Company has not accepted any public deposit covered under Section 76 of the Companies Act, 2013.

**12. 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.

**13. DISCLOSURE REQUIREMENTS**

Policy on dealing with related party transactions is available on the website of the Company at the link: [www.naxparlab.com](http://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. The Policy on Whistle Blower is available on the website of the Company at the link: [www.naxparlab.com](http://www.naxparlab.com).

**14. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONEEL:**

As on March 31, 2021, the Board comprised of 5(Five Directors) namely, Mr. Prakash Mahasukhlal Shah, Mr. Baiju Mahasukhlal Shah, Mrs. Ami Shah, Mr. Vinayak Desai, Mr. Tirunillai Venkateswara Anatharaman.

During the year , there was a change in the Composition of the Board following cessation of Mr. Manharbhai Jabhari w.e.f. 27<sup>th</sup> February, 2021 due to his demise and Mr. Yogesh Varia appointed as additional director w.e.f 28<sup>th</sup> May, 2021 under Section 161 of the Act and who holds office upto the date of this ensuing Annual General Meeting.

As on 31<sup>st</sup> March, 2021, there was no disqualification of any Director pursuant to Section 164 (2) of the Companies Act, 2013.

At the ensuing 39<sup>th</sup> (Thirty Ninth) Annual General Meeting of the Company the Director Mrs. Ami Mihir Shah (DIN: 03101049) is liable to retire by rotation and being eligible offers herself for re-appointment. Board recommends her re-appointment to the members for consideration in the ensuing 39<sup>th</sup> Annual General Meeting.

Ms. Namrata Kambli resigned as Company Secretary of the Company w.e.f 31<sup>st</sup> May, 2021 and Mrs.Preet Kukreja appointed as Company Secretary w.e.f. 21<sup>st</sup> June, 2021.

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.

#### **15. NUMBER OF MEETINGS OF THE BOARD:**

During the year under review, Five (5) Board Meetings were convened and held during the year 2020-21 pursuant to Section 173 (1) of Companies Act, 2013 on 31<sup>st</sup> July, 2020, 25<sup>th</sup> August, 2020, 15<sup>th</sup> September, 2020, 12<sup>th</sup> November, 2020 and 13<sup>th</sup> February, 2021.

#### **16. 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 31<sup>st</sup> March, 2021, 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 31<sup>st</sup> March, 2021 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.

#### **17. 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.

#### **18. 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](http://www.naxparlab.com).



**19. 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.

**20. 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.

**21. 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 fulfilment 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.

**22. STATUTORY AUDITORS:**

In the Annual General Meeting held on September 29, 2017, M/s Ladha Singhal & Associates were appointed as Statutory Auditors of the Company to hold office till conclusion of 39<sup>th</sup> Annual General Meeting.

The tenure of M/s Ladha Singhal & Associates as Statutory Auditors of the Company would be expiring at the ensuing AGM, basis on the recommendation of Audit Committee, the Board of Directors at its Meeting has approved the appointment of **M/s C N Patel & Co, as Statutory Auditors** of the Company for the term of Five Consecutive years, subject to the approval of the Members at the ensuing 39<sup>th</sup> Annual General meeting

**23. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS:**

There are **no qualifications, reservation or adverse remark or disclaimer** made by **M/s Ladha Singhal & Associates**, Chartered Accountants Audit Report for the year ended on 31<sup>st</sup> March, 2021.

The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review.

There are **no qualifications, reservation or adverse remark or disclaimer** made by **M/s HS Associates**, Secretarial Auditor of the Company.

**24. INTERNAL AUDITORS:**

As per section 138 of the Companies Act, 2013. On the basis of recommendation of the Audit Committee **M/s. P S D & Associates, Chartered Accountants**, appointed as the internal auditor for the financial year to 2021-2022 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 Secretarial Audit Report of **M/s HS Associates, Company Secretaries** for the year ended on 31<sup>st</sup> March, 2021 is attached to this report as **Annexure VII**. The Board has re-appointed **HS Associates, Company Secretaries** as the Secretarial Auditors of the Company for the Secretarial Audit of the financial year ended on 31<sup>st</sup> March, 2022.

**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	4
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. Manharbhai N. Jhavari - Member (Upto 27th February, 2021) \*  
Mr. Yogesh Kantilal Varia (w.e.f. 28th May, 2021) \*\*
3. Mr. Baiju Shah - Member

**II. Stakeholder's Relationship Committee**

1. Mr. Vinayak Desai - Chairman
2. Mr. Manharbhai N. Jhavari - Member (Upto 27th February, 2021) \*  
Mr. Yogesh Kantilal Varia (w.e.f. 28th May, 2021) \*\*
3. Mr. Baiju Shah - Member

**III. Nomination & Remuneration Committee**

1. Mr. Vinayak Desai - Chairman
2. Mr. Manharbhai N. Jhavari - Member (Upto 27th February, 2021) \*  
Mr. Yogesh Kantilal Varia (w.e.f. 28th May, 2021) \*\*
3. Mr. Ami Shah - Member

Mr. Manharbhai N. Jhavari Independent Director of the Company ceased to be member of the Board of Director due to his unfortunate demise as on 27<sup>th</sup> February, 2021. Consequently with effect from 27<sup>th</sup> February, 2021, he ceased to be member of Audit Committee, Stakeholders's Relationship Committee and Nomination & Remuneration Committee.

Further, Mr Yogesh Varia who was appointed as an Additional Independent Director in the meeting held on 28<sup>th</sup> May, 2021. Consequently Mr. Yogesh Varia was appointed as a member in the Audit Committee, Stakeholder's Relationship Committee and Nomination and Remuneration Committee w.e.f. 28<sup>th</sup> May, 2021

**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](http://www.naxparlab.com).

**29. CORPORATE GOVERNANCE:**

The Company falls under the criteria 15(2) (a) of the Listing Obligations & Disclosure requirements (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. Hence, the Corporate Governance Report is not applicable to the Company.

**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](http://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 31st March, 2021 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 2020-21.

**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 APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR.:**

During the year, the Company has not made any application and also no proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016).

**36. 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.

**37. 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/-

**Date : 14<sup>th</sup> August, 2021  
Place : Mumbai**

**Prakash M. Shah  
Director and CEO  
(DIN 00440980)**

## 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:**

- (i) The steps taken or impact on conservation of energy - Energy conservation continues to receive priority attention at all levels by regular monitoring of all equipments and devices which consume electricity.
- (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.
- (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.)	
	2020-21	2019-20
(a) Foreign Exchange Earnings	1,59,94,159	6,87,89,737
(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/-

Date : 14<sup>th</sup> August, 2021  
Place : Mumbai

**Prakash M. Shah  
Director and CEO  
(DIN 00440980)**



**ANNEXURE-II**  
**FORM NO. MGT - 9**

**EXTRACT OF ANNUAL RETURN**

As on the financial year ended 31.03.2021

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the  
Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

<b>i</b>	<b>CIN</b>	L36912MH1982PLC027925
<b>ii</b>	<b>Registration Date</b>	03/08/1982
<b>iii</b>	<b>Name of the Company</b>	PARNAX LAB LIMITED
<b>iv</b>	<b>Category/Sub-Category of the Company</b>	Public Company Limited by shares
<b>v</b>	<b>Whether listed Company (Yes/No)</b>	Yes
<b>vi</b>	<b>Address of the Registered Office and contact details</b>	Gala no.114, Bldg no. 8, Jogani Industrial Complex, Chunabhatti, Mumbai -400022. Tel: 022-68252525 , fax - 022-4057708, Email - info@naxparlab.com
<b>vii</b>	<b>Name, Address and Contact details of Registrar and Transfer Agent, if any</b>	<b>M/s. Link Intime India Pvt Ltd.</b> C-101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai - 400 083. Tel.: + 91 22 4918 6000 Fax.: + 91 22 4918 6060 Email: mumbai@linkintime.co.in Website: www.linkintime.co.in

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

<b>Sr. No.</b>	<b>Name and Description of Main Product/Services</b>	<b>NIC Code of the Product /Service</b>	<b>% to total turnover of the company</b>
1	Manufacture and Trading of Pharmaceuticals, Medicinal Products.	21002 & 21003	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

<b>Sr. No.</b>	<b>Name and address of the Company</b>	<b>Company Identification Number / Global Location Number</b>	<b>Holding/Subsidiary/ Associate</b>	<b>% of shares held</b>	<b>Applicable Section of Companies Act,2013</b>
1.	Naxpar Pharma Private Limited, Bldg. No. 08, First Floor,104-107, Jogani Ind., Complex, Chunabhatti, Mumbai - 400 022.	U52310MH2004PTC144449	Subsidiary	99.80%	2(87)

## IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)

## i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year i.e.01.04.2020				No. of Shares held at the end of the year i.e.31.03.2021				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	5323016	-	5323016	62.59	5323016	-	5323016	62.59	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt(s).	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Bank/ FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(1)</b>	<b>5323016</b>	<b>-</b>	<b>5323016</b>	<b>62.59</b>	<b>5323016</b>	<b>-</b>	<b>5323016</b>	<b>62.59</b>	<b>-</b>
<b>(2) Foreign</b>									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Bank/ FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total shareholding of Promoter (A) (A)(1) + (A)(2)</b>	<b>5323016</b>	<b>-</b>	<b>5323016</b>	<b>62.59</b>	<b>5323016</b>	<b>-</b>	<b>5323016</b>	<b>62.59</b>	<b>-</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Bank/ FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt(s).	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-Total (B)(1)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>





IV SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year i.e.01.04.2020				No. of Shares held at the end of the year i.e.31.03.2021				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2. Non- Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	163003	3150	166153	1.95	85293	3150	88443	1.04	(0.91)
ii) Overseas	0	0	0	0	0	0	0	0	0
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	1207315	40800	1248115	14.68	1058989	40800	1099789	12.93	(1.74)
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1558893	0	1558893	18.33	1746353	0	1746353	20.53	2.20
<b>c) Any Other</b>									
(c-i) Foreign Bodies	0	0	0	0	0	0	0	0	0
(c-ii) Non-Resident Indians (Repat and Non Repat)	49793	0	49793	0.59	48185	0	48185	0.57	(0.019)
(c-iii) HUF	155786	0	155786	1.83	172769	0	172769	2.03	0.2
((c-iv) Clearing Members	3110	0	3110	0.04	26311	0	26311	0.31	0.27
<b>Total Public shareholding (B) = (B)(1) + (B)(2)</b>	<b>3137900</b>	<b>43950</b>	<b>3181850</b>	<b>37.41</b>	<b>3137900</b>	<b>43950</b>	<b>3181850</b>	<b>37.41</b>	<b>0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>8460916</b>	<b>43950</b>	<b>8504866</b>	<b>100.00</b>	<b>8460916</b>	<b>43950</b>	<b>8504866</b>	<b>100.00</b>	

## (ii) Shareholding of Promoters-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Mrs. Ami Shah	307720	3.62	0	307720	3.62	0	0
2.	Mr. Baiju Mahasukhlal Shah	628261	7.39	0	628261	7.39	0	0
3.	Mr. Binoy Baiju Shah	1369600	16.10	4.59	1369600	16.10	4.59	0
4.	Mrs. Ila B Shah	660872	7.77	0	660872	7.77	0	0
5.	Mr. Mihir Prakash Shah	1141250	13.42	4.59	1141250	13.42	4.59	0
6.	Mrs. Pragna Prakash Shah	539887	6.35	0	539887	6.35	0	0
7.	Mr. Prakash Mahasukhlal Shah	675426	7.94	0	675426	7.94	0	0
<b>TOTAL</b>		<b>5323016</b>	<b>62.59</b>	<b>9.18</b>	<b>5323016</b>	<b>62.59</b>	<b>9.18</b>	<b>0</b>

(iii) Change in Promoters' Shareholding: There was no change in the Shareholding of the Promoters during the year.

## (iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Top 10 Shareholders	Shareholding at the beginning of the year- 31st March, 2020		Shareholding at the end of the year- 31st March, 2021	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	Dheeraj Kumar Lohia	142036	1.67	151366	1.78
2.	Suman Gupta	-	-	112932	1.33
3.	Harsha N Agarwal	83264	0.98	109814	1.29
4.	Suresh Vege	70310	0.83	81760	0.96
5.	Ashish Chugh .	73389	0.86	73389	0.86
6.	Hitesh Ramji Javeri	63648	0.75	63648	0.75
7.	Venkateswara Rao Vege	27239	0.32	63000	0.74
8.	Mukesh Badola Huf	61900	0.73	61900	0.73
9.	Lincoln P Coelho	60000	0.71	60000	0.71
10	Raj Kumar Lohia	58135	0.68	58135	0.68



(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year		Transaction during the year		Cumulative Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of Shares	% of total shares of the company
1.	Mr. Baiju Mahasukhlal Shah	628261	7.39	Nil	Nil	628261	7.39
2.	Mr. Prakash Mahasukhlal Shah	675426	7.94	Nil	Nil	675426	7.94
3.	Mrs. Ami Mihir Shah	307720	3.62	Nil	Nil	307720	3.62
4.	Mr. Vinayak Babli Desai	Nil	Nil	Nil	Nil	Nil	Nil
5.	Mr. Manharbhai Navalchand Jhavari	Nil	Nil	Nil	Nil	Nil	Nil
6.	Mr. Tirunillai Venkateswara Anantharaman	Nil	Nil	Nil	Nil	Nil	Nil

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment :

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	3,03,02,992	8,03,14,484	--	11,06,17,476
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
<b>Total (i+ii+iii)</b>	<b>3,03,02,992</b>	<b>8,03,14,484</b>	<b>--</b>	<b>11,06,17,476</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	--	75,10,014	--	75,10,014
• Reduction	<b>(39,82,327)</b>	--	--	<b>(39,82,327)</b>
<b>Net Change</b>	<b>(39,82,327)</b>	75,10,014	--	<b>35,27,687</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	2,63,20,665	8,78,24,498	--	11,41,45,163
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
<b>Total (i+ii+iii)</b>	<b>2,63,20,665</b>	<b>8,78,24,498</b>	<b>--</b>	<b>11,41,45,163</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

- a. The Director's, Managing Director, Whole-Time Directors of the Company are not paid any Remuneration and Sitting Fees for the Financial Year 2020-2021.
- b. Remuneration of Key Managerial Personnel for the year ended March 31, 2021 other than the MD/Manager/WTD of the Company:

Sr. No	Particulars of Remuneration	Ms. Namrata Kambli (Company Secretary)	Total
1.	Gross Salary	4,39,250	4,39,250
	a) Salary as per the provisions contained in section 17 (1) of the Income-tax Act, 1961	-	-
	b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	-	-
	c) Profits in lieu of salary u/s 17(3) of Income-tax Act, 1961	-	-
2	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission	-	-
	a) as % of profit	-	-
	b) Others	-	-
5.	Others	-	-
	Total	4,39,250	4,39,250

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>B. DIRECTORS</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

For and on behalf of the Board  
of Parnax Lab Limited

Sd/-

Date : 14<sup>th</sup> August, 2021  
Place : Mumbai

Prakash M. Shah  
Director and CEO  
(DIN 00440980)



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**ANNEXURE III****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 global markets have slowed in the past decade from double digit growth rates seen earlier to single digit growth rates. The US and European markets have slowed down even more.

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.

Due to non-profitable operations in the market, it could adversely affect the Company's business, operations and financial condition. This scenario poses the risk of concentration and dependence on one market. 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:**

Parnax Lab Limited has an inclusive internal control system, furnished with qualified and experienced personnel in several departments. This enables smooth functioning within the Company. The internal control commensurate with its size and nature of the business. These procedures ensure efficient use and protection of the resources. It ensures reasonable assurance about the reliability and integrity of financial statements. Additionally, the internal audit process is designed in such a way, that it reviews all significant areas of the Company's operations.

**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: 14<sup>th</sup> August, 2021  
Place: Mumbai**

**Prakash M. Shah  
Director and CEO  
(DIN 00440980)**





## ANNEXURE IV

## 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	32,88,63,967/-
6.	Total assets	1,000,869,377/-
7.	Total Liabilities	1,000,869,377/-
8.	Investments	13,51,000/-
9.	Turnover	88,09,18,294/-
10.	Profit before taxation	1,16,98,951
11.	Provision for taxation	4,000,190/-
12.	Profit after taxation	7,698,761/-
13.	Proposed Dividend	NIL
14.	% of shareholding	99.80%

**Notes:**

**The following information shall be furnished at the end of the statement:**

- Names of subsidiaries which are yet to commence operations: NA
- 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: 14<sup>th</sup> August, 2021**

**Place: Mumbai**

**Prakash M. Shah  
Director and CEO  
(DIN 00440980)**

**ANNEXURE V**  
**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 2020-21.

**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 31<sup>st</sup> March, 2021.

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	01 <sup>st</sup> April 2020 to 31 <sup>st</sup> March 2021	As per Sales/ Purchase orders placed from time to time.	Nil
2.	Mr. Binoy B. Shah	Salary paid	01 <sup>st</sup> April 2020 to 30 <sup>th</sup> June, 2021	As Salary paid.	Nil
3.	Naxpar Health Concepts Private Limited	Purchase of Material	01 <sup>st</sup> April 2020 to 31 <sup>st</sup> March 2021	As per Purchase orders placed from time to time.	Nil
4.	Naxpar Medicamentos LLP	Sale of Material and Rent Received	01 <sup>st</sup> April, 2020 to 31 <sup>st</sup> March, 2021	As per Sales orders placed from time to time.	Nil
5.	Naxpar Pharma FZ LLC	Sale of Material	01 <sup>st</sup> April 2020 to 31 <sup>st</sup> March 2021	As per Sales orders placed from time to time.	Nil

Note: Approval of the Audit Committee / Board of Directors has been obtained from time to time

**For and on behalf of the Board  
of Parnax Lab Limited**

Sd/-

Date: 14<sup>th</sup> August, 2021  
Place: Mumbai

**Prakash M. Shah**  
Director and CEO  
(DIN 00440980)



## CEO/CFO CERTIFICATION

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, Director Cum CFO of the Company hereby certify that in respect of the financial year ended on March 31, 2021.

1. We have reviewed the financial statement and the cash flow statements for the year and that to the best of our knowledge and belief:
  - a. These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
  - b. 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.
2. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. to the auditors and the Audit Committee:
  - a. Significant changes, if any, in internal control over financial reporting during the year;
  - b. Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and,
  - c. Instances of significant fraud, if any, of which we have become aware and the involvement therein, if any, of management or an employee having a significant role in the Company's internal control system over financial reporting.

**For and on behalf of the Board  
Of Parnax Lab Limited**

Sd/-

Sd/-

**Date: 14<sup>th</sup> August, 2021  
Place: Mumbai**

**Baiju M. Shah  
Managing Director & CFO  
(DIN 00440806)**

**Prakash M. Shah  
Director & CEO  
(DIN 00440980)**

## DECLARATION

In accordance with Regulation 34(3) of SEBI Listing obligation and Disclosure Requirements, Regulation 2015, 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 31<sup>st</sup> March, 2021.

**For Parnax Lab Limited**

**Date: 14<sup>th</sup> August, 2021  
Place: Mumbai**

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

## 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 2020-21 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
<b>Non-executive directors</b>	
Mr. Vinayak B Desai	N. A.
Mr. Manharbhai N Jhavari	N. A.
Mr. Tirunillai V Anantharaman	N. A.
Mrs. Ami M Shah	N.A.
<b>Executive directors</b>	
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. Manharbhai N Jhavari	N. A.
Mr. Tirunillai V Anantharaman	N. A.
Mrs. Ami M Shah	N. A.
Ms. Namrata Kambli – Company Secretary	NIL

- c. The percentage increase in the median remuneration of employees in the financial year: 8

- d. The number of permanent employees on the rolls of Company: 10

- 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 07% 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 at its meeting held on June 14, 2018 that the remuneration is as per the remuneration policy of the Company. The policy is available on the company's website: [www.naxparlab.com](http://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: 14<sup>th</sup> August, 2021

Place: Mumbai



**ANNEXURE VII**

**Form No. MR-3**

**Secretarial Audit Report**

**For Financial Year Ended on 31<sup>st</sup> March, 2021**

**[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 31<sup>st</sup> March, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers and minute books, Forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2021, 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 1<sup>st</sup> 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.

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. There were no changes in the composition of the Board of Directors took place during the year.

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. On March 1, 2021 the Company informed the Stock Exchange about demise of Mr. Manharbhai Navalchand Jhaveri, Non-Executive Independent Director of the Company.
2. The Company has obtained members approval in its Annual General Meeting held on 30th September, 2020:
  - (a) to approve related party transactions with its subsidiary companies.
  - (b) to Re-appoint Mr. Tirunillai Venkateswara Anatharaman (DIN: 07147028) as Non-Executive Independent Director for another term of five years w.e.f. 31 March, 2020

**For HS Associates  
Company Secretaries**

Sd/-

\_\_\_\_\_  
**Prakash D. Naringrekar  
Partner**

**ACS No.: 5941  
CP No.: 18955**

**Date: 14<sup>th</sup> August, 2021  
Place: Mumbai  
ICSI UDIN: A005941C000788635**

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.

**Note: This report is based on the data received through electronic mode. Physical verification of the data and corresponding documents could not be accessed due to COVID-19 pandemic and restrictions imposed by the Maharashtra Government and local authorities.**

For HS Associates  
Company Secretaries

Sd/-

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

Date: 14<sup>th</sup> August, 2021  
Place: Mumbai  
ICSI UDIN: A005941C000788635



**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, 2021, 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, 2021, and its Loss, 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.

**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. <b>The Key Audit Matter</b>	<b>How was the matter addressed in our audit</b>
<p>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.</p> <p>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.</p>	<p>In view of significance of the matter we applied following audit procedures in this area, among others to obtain sufficient and appropriate audit evidence:</p> <ul style="list-style-type: none"> <li>• Evaluated compliance of the revenue recognition accounting policies by comparing with Ind AS 115 "Revenue from Contracts with Customers".</li> <li>• 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.</li> <li>• 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.</li> <li>• Evaluated adequacy of disclosures in relation to revenue in the standalone financial statements.</li> </ul>

**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. 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 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**

16. As required by section 197(16) of the Act, we report that the Company has not paid any remuneration to its directors during the year, hence the provisions of and limits laid down under section 197 read with Schedule V to the Act is not applicable to the Company.
17. As required by the Companies (Auditor's Report) Order, 2016 ("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, 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 31<sup>st</sup> March, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2021, 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 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 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; and
    - iii) There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

#### **For Ladha Singhal & Associates**

Chartered Accountants  
Firm Registration No.: 120241W

#### **(Vinod Ladha)**

Partner  
M.No.: 104151  
Place : Mumbai  
Dated: 30<sup>th</sup> June, 2021  
UDIN : 21104151AAAAFA4694



**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 31<sup>st</sup> March, 2021, we report that:**

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management during the year under a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No discrepancies were noticed on such verification.
- (c) According to the information and the explanation given to us and the records examined by us, we report that the title deeds of immovable properties are held in the name of the Company as at the Balance Sheet date.
- (ii) As explained to us, the inventories were physically verified during the year by the management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any secured or unsecured loan to Companies, Firms, Limited Liability Partnerships, or other parties covered in the register maintained under section 189 of the Companies Act, 2013 (‘the Act’). Accordingly, paragraph 3(iii) of the Order is 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 section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) In our opinion and according to the information given to us, the company has not accepted deposits and hence, compliance with the directives issued by Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under with regard to the deposits accepted is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act in respect of Company’s products/services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company is regular in depositing with appropriate authorities applicable undisputed statutory dues including employee state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess.
- (b) According to the information and explanation given to us, no undisputed amounts payable in respect of employee state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax or cess were in arrears as at 31<sup>st</sup> March, 2021 for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us, details of employee state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax or cess which have not been deposited as on 31<sup>st</sup> March, 2021 on account of any dispute are as given below:

<b>Name of Statute</b>	<b>Nature of the dues</b>	<b>Amount (in Lacs)</b>	<b>Period for which the amount relates (Assessment Year)</b>	<b>Forum where dispute is pending</b>
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)

- (viii) In our opinion and according to the information and explanation given to us, the company has not defaulted in the repayment of loans or borrowings to banks or financial institutions. The Company does not have any borrowings from government and has not issued any debentures.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) or term loans during the year; hence clause 3(ix) of the Companies (Auditors' Report) Order, 2016 are not applicable to the Company.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (xi) According to the information and explanation given to us and based on our examination of the records of the Company, the company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with the Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company; hence clause 3(xii) of the Companies (Auditors' Report) Order, 2016 is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with the sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone Ind AS financial statements in note no 41 as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosure specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rule, 2014.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year hence; clause 3(xiv) of the Companies (Auditors' Report) Order, 2016 are not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with the directors or the persons connected to its directors; hence clause 3(xv) of the Companies (Auditors' Report) Order, 2016 is not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For Ladha Singhal & Associates**

Chartered Accountants

Firm Registration No.: 120241W

**(Vinod Ladha)**

Partner

M.No.: 104151

Place : Mumbai

Dated : 30<sup>th</sup> June, 2021

UDIN : 21104151AAAAFA4694





## **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 31<sup>st</sup> March, 2021.**

### **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 31<sup>st</sup> March, 2021 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 31<sup>st</sup> March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Ladha Singhal & Associates**

Chartered Accountants

Firm Registration No.: 120241W

Sd/-

**(Vinod Ladha)**

Partner

M.No.: 104151

Place : Mumbai

Dated : 30<sup>th</sup> June, 2021

UDIN : 21104151AAAAFA4694





## Standalone Balance Sheet as at 31st March, 2021

(Rs. in '000)

	Particulars	Note No.	As at 31st March, 2021	As at 31st March, 2020
<b>I</b>	<b>ASSETS</b>			
	<b>1. Non - Current Assets</b>			
	(a) Property, plant and equipment	2	4,862.96	5,302.52
	(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	892.60	534.30
	(e) Deferred tax asset (net)	31	13,066.92	10,602.13
			<b>1,19,523.81</b>	<b>1,17,140.27</b>
	<b>2. Current Assets</b>			
	(a) Inventories	7	5,798.60	1,504.63
	(b) Financial assets			
	(i) Trade Receivable	8	4,325.90	20,629.69
	(ii) Cash and Cash Equivalents	9	1,017.19	1,079.19
	(iii) Bank balances other than (ii) above	10	126.98	119.80
	(iv) Loans	11	326.06	248.06
	(c) Current tax assets(net)	12	3.22	1,328.62
	(d) Other current assets	13	7,874.19	7,055.32
			<b>19,472.14</b>	<b>31,965.31</b>
	<b>3. Assets classified as held for disposal</b>	14	37,405.13	37,405.13
	<b>TOTAL ASSETS</b>		<b>1,76,401.08</b>	<b>1,86,510.70</b>
<b>II</b>	<b>EQUITY AND LIABILITIES</b>			
	<b>1. Equity</b>			
	(a) Share Capital	15	85,048.66	85,048.66
	(b) Other equity	16	(37,909.11)	(26,815.12)
			<b>47,139.55</b>	<b>58,233.54</b>
	<b>2. Liabilities</b>			
	<b>Non-Current liabilities</b>			
	(a) Financial Liabilities			
	(i) Long term borrowings	17	18,896.88	27,712.29
	(b) Long term provisions	18	68.99	132.42
			<b>18,965.88</b>	<b>27,844.71</b>
	<b>Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Short term borrowings	19	87,824.50	80,314.48
	(ii) Trade Payables	20		
	- Total outstanding dues of micro enterprises and small enterprises		7,741.40	7,883.55
	- Total outstanding dues of creditors other than micro enterprises and small enterprises		3,672.45	2,518.09
	(iii) Other financial Liabilities	21	10,496.50	7,737.37
	(b) Other current liabilities	22	530.09	1,961.29
	(c) Short Term Provision	23	30.72	17.66
			<b>1,10,295.66</b>	<b>1,00,432.45</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,76,401.08</b>	<b>1,86,510.70</b>
	<b>Significant Accounting Policies</b>	1		

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

As per our report of even date

For Ladha Singhal and Associates

Chartered Accountants

Firm's Registration No : 120241W

Sd/-

(Vinod Ladha)

Partner

M. No. 104151

Place : Mumbai

Date: 30<sup>th</sup> June, 2021For and on behalf of the Board of Directors  
of Parnax Lab Ltd.

Sd/-

(Prakash M. Shah)

(Director &amp; CEO)

(DIN 00440980)

Sd/-

(Baiju M. Shah)

Managing Director &amp; CFO

(DIN 00440806)

Sd/-

Preet Kukreja  
Company Secretary

## Standalone Statement of Profit and Loss for the year ended 31st March, 2021

(Rs. in '000)

	Particulars	Note No.	For the year ended 31st March 2021	For the year ended 31st March 2020
I	Revenue from Operations (gross)	24	23,727.62	76,795.42
II	Other Income	25	651.48	4,157.62
III	<b>Total Revenue (I + II)</b>		<b>24,379.11</b>	<b>80,953.04</b>
IV	<b>Expenses</b>			
	Cost of Materials Consumed	26	2,839.17	26,054.73
	Purchase of Stock In Trade	27	11,741.73	17,054.75
	Employee Benefits Expenses	28	4,471.68	5,134.05
	Finance Costs	29	8,299.96	13,785.31
	Depreciation and Amortization Expense	2	439.56	438.36
	Other Expenses	30	9,123.46	23,206.10
	<b>Total Expenses</b>		<b>36,915.55</b>	<b>85,673.30</b>
V	<b>Profit / (Loss) before tax (III-IV)</b>		<b>(12,536.45)</b>	<b>(4,720.26)</b>
VI	<b>Tax Expense:</b>	31		
	(a) Current Tax		-	-
	(b) Deferred Tax (Asset) / Liability		(2,541.88)	15,324.84
	(c) Short (Excess) Prov for Tax for Earlier Years		1,328.62	-
	<b>Total Tax Expense (VI)</b>		<b>(1,213.26)</b>	<b>15,324.84</b>
VII	<b>Profit / (Loss) after tax (V-VI)</b>		<b>(11,323.18)</b>	<b>(20,045.10)</b>
VIII	<b>Other Comprehensive Income</b>			
	A.(I) Items that will not be reclassified to profit & loss			
	Remeasurements of post-employment benefit obligations		306.27	45.26
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(77.08)	(11.77)
	<b>Total Other Comprehensive income</b>		<b>229.19</b>	<b>33.49</b>
	<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR(VII+VIII)</b>		<b>(11,093.99)</b>	<b>(20,011.60)</b>
IX.	<b>Earnings Per Equity Share of Rs.10/- each :</b>			
	Weighted average no. of shares (Basic & Diluted)		8,504.87	8,504.87
	Basic & Diluted Earnings Per Share (Rs.)		(1.33)	(2.36)
	<b>Significant Accounting Policies</b>	1		

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

As per our report of even date

For Ladha Singhal and Associates  
Chartered Accountants  
Firm's Registration No : 120241W

Sd/-  
(Vinod Ladha)  
Partner  
M. No. 104151  
Place : Mumbai  
Date: 30<sup>th</sup> June, 2021

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, 2021

(Rs. in '000)

	Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit/(Loss) before tax	(12,536.45)	(4,720.26)
	<b>Adjustments for</b>		
	Depreciation	439.56	438.36
	Finance Cost	8,299.96	13,785.31
	Loss on sale of fixed asset	-	34.06
	Sundry Balances written off	(141.56)	40.09
	Interest & Dividend income	(7.19)	(55.92)
	<b>Operating Loss Before Working Capital Adjustments</b>	<b>(3,945.67)</b>	<b>9,521.64</b>
	<b>Changes in Working Capital</b>		
	<u>Adjustments for (increase) / decrease in operating assets:</u>		
	Inventories	(4,293.97)	2,672.52
	Trade receivables	16,303.79	4,404.52
	Other assets (Financials and Non Financial assets)	(1,255.17)	1,089.80
	<u>Adjustments for increase / (decrease) in operating liabilities:</u>		
	Trade payables	1,153.76	1,627.25
	Other liabilities (Financials and Non Financial liabilities)	(3,249.25)	2,486.91
	<b>Cash generated from operations</b>	<b>4,713.50</b>	<b>21,802.65</b>
	Direct Tax Paid (Refund) [Net]	3.22	(150.00)
	<b>Net cash flow from / (used in) operating activities (A)</b>	<b>4,710.28</b>	<b>21,952.65</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Expenditure on asset held for disposal	-	(466.35)
	Proceeds from sale of fixed assets	-	300.00
	Proceeds/(Purchase) from sale of Non Current Investments	(7.19)	-
	Interest & Dividend income	7.19	47.08
	<b>Net cash flow from / (used in) investing activities (B)</b>	<b>-</b>	<b>(119.27)</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds from long-term borrowings (net)	(3,982.33)	(59,314.55)
	Proceeds from Short-term borrowings (net)	7,510.01	57,644.65
	Finance Cost	(8,299.96)	(13,785.31)
	<b>Net cash flow from / (used in) financing activities (C)</b>	<b>(4,772.27)</b>	<b>(15,455.21)</b>
	<b>Net increase (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(61.99)</b>	<b>6,378.17</b>
	<b>Cash and cash equivalents at the beginning of the year</b>	<b>1,079.19</b>	<b>(5,298.98)</b>
	<b>Cash and cash equivalents at the end of the year</b>	<b>1,017.19</b>	<b>1,079.19</b>

As per our report of even date

For Ladha Singhal and Associates

Chartered Accountants

Firm's Registration No : 120241W

Sd/-

(Vinod Ladha)

Partner

M. No. 104151

Place : Mumbai

Date: 30<sup>th</sup> June, 2021For and on behalf of the Board of Directors  
of Parnax Lab Ltd.

Sd/-

(Prakash M. Shah)

(Director &amp; CEO)

(DIN 00440980)

Sd/-

(Baiju M. Shah)

Managing Director &amp; CFO

(DIN 00440806)

Sd/-

Preet Kukreja

Company Secretary

### Standalone Statement of Changes in Equity for the year ended 31st March, 2021

**(A) Equity Share Capital** (Rs. in '000)

	Amount
<b>Balance as at April 01, 2019</b>	<b>85,048.66</b>
Changes in share capital during the year	-
<b>Balance as at March 31, 2020</b>	<b>85,048.66</b>
Changes in share capital during the year	-
<b>Balance as at March 31, 2021</b>	<b>85,048.66</b>

**(B) Other Equity**
(Rs. in '000)

	General Reserve	Surplus in Statement of profit & loss	Accumulated other comprehensive income - Acturial Gains/(Losses)	Total
<b>Balance as at April 01, 2019</b>	<b>63,665.78</b>	<b>(70,954.33)</b>	<b>485.03</b>	<b>(6,803.52)</b>
Profit/(Loss) for the year	-	(20,045.10)	-	(20,045.10)
Other comprehensive income for the year	-	-	33.49	33.49
Amortisation of land transfer to asset held for disposal	-	-	-	-
<b>Balance as at March 31, 2020</b>	<b>63,665.78</b>	<b>(90,999.42)</b>	<b>518.52</b>	<b>(26,815.12)</b>
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	-	-	-	-
<b>Balance as at March 31, 2021</b>	<b>63,665.78</b>	<b>(1,02,322.60)</b>	<b>747.71</b>	<b>(37,909.11)</b>

The accompanying notes are an integral part of these financial statements

As per our report of even date

For Ladha Singhal and Associates  
Chartered Accountants  
Firm's Registration No : 120241W

Sd/-  
(Vinod Ladha)  
Partner  
M. No. 104151  
Place : Mumbai  
Date: 30<sup>th</sup> June, 2021

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




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**Notes to Standalone Financial Statements for the year ended 31st March, 2021**
**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:****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

**Estimation of uncertainties relating to the global health pandemic from COVID-19**

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipments, investments, inventories, receivables, and other current assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information.

There is no material adverse impact of CoVID - 19 pandemic on the Company and its operations/profitability during the financial year ended March 31, 2021. However, CoVID - 19 pandemic effect if any, on the Company's operation / profitability in the current FY 2021-22 can only be assessed in due course.

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**Notes to Standalone Financial Statements for the year ended 31st March, 2021****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.

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.



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**Notes to Standalone Financial Statements for the year ended 31st March, 2021****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.



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**Notes to Standalone Financial Statements for the year ended 31st March, 2021****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.

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.



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**Notes to Standalone Financial Statements for the year ended 31st March, 2021****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 recognised 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.

**Notes to Standalone Financial Statements for the year ended 31st March, 2021****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 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.

**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 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




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**Notes to Standalone Financial Statements for the year ended 31st March, 2021**
**(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.

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**Notes to Standalone Financial Statements for the year ended 31st March, 2021****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 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 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 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.



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**Notes to Standalone Financial Statements for the year ended 31st March, 2021**

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 Company, the lessee'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, 2021

## Note 2 : Property, plant &amp; equipments

Particulars	Office Premises	Furniture	Motor Car	Computer	Office Equipments	Air Conditioner	Total
<b>Gross carrying amount</b>							
Balance as at April 01, 2019 (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	-	-	-	-	-	-	-
<b>Balance as at March 31, 2020</b>	<b>5,401.47</b>	<b>153.95</b>	<b>1,715.38</b>	<b>98.19</b>	<b>210.73</b>	<b>1,106.00</b>	<b>8,685.73</b>
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Transferred to assets held for disposal	-	-	-	-	-	-	-
<b>Balance as at March 31, 2021</b>	<b>5,401.47</b>	<b>153.95</b>	<b>1,715.38</b>	<b>98.19</b>	<b>210.73</b>	<b>1,106.00</b>	<b>8,685.73</b>
<b>Accumulated depreciation/Amortisation</b>							
Balance as at April 01, 2019	939.86	107.89	1,336.65	36.73	115.75	407.97	2,944.85
Depreciation/Amortisation charge for the year	313.29	13.03	-	-	10.00	102.05	438.36
Disposals	-	-	-	-	-	-	-
Transferred to assets held for disposal	-	-	-	-	-	-	-
<b>Accumulated depreciation as at March 31, 2020</b>	<b>1,253.15</b>	<b>120.92</b>	<b>1,336.65</b>	<b>36.73</b>	<b>125.75</b>	<b>510.02</b>	<b>3,383.21</b>
Depreciation/Amortisation charge for the year	334.99	13.03	-	-	-	91.54	439.56
Disposals	-	-	-	-	-	-	-
Transferred to assets held for disposal	-	-	-	-	-	-	-
<b>Accumulated depreciation as at March 31, 2021</b>	<b>1,588.14</b>	<b>133.94</b>	<b>1,336.65</b>	<b>36.73</b>	<b>125.75</b>	<b>601.56</b>	<b>3,822.76</b>
<b>Net carrying amount as at March 31, 2020</b>	<b>4,148.32</b>	<b>33.04</b>	<b>378.73</b>	<b>61.46</b>	<b>84.99</b>	<b>595.99</b>	<b>5,302.52</b>
<b>Net carrying amount as at March 31, 2021</b>	<b>3,813.33</b>	<b>20.01</b>	<b>378.73</b>	<b>61.46</b>	<b>84.99</b>	<b>504.44</b>	<b>4,862.96</b>
<b>Note:</b>							
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, 2021

Note 3 : Intangible assets

(Rs. in '000)

Particulars	Software	Total
<b>Gross carrying amount</b>		
Balance as at April 01, 2019	63.59	63.59
Additions	-	-
Disposals	-	-
<b>Balance as at March 31, 2020</b>	<b>63.59</b>	<b>63.59</b>
Additions	-	-
Disposals	-	-
<b>Balance as at March 31, 2021</b>	<b>63.59</b>	<b>63.59</b>

Accumulated depreciation/Amortisation

Particulars	Software	Total
<b>Balance as at April 01, 2019</b>	<b>57.74</b>	<b>57.74</b>
Depreciation/Amortisation charge for the year	-	-
Disposals	-	-
<b>Accumulated depreciation as at March 31, 2020</b>	<b>57.74</b>	<b>57.74</b>
Depreciation/Amortisation charge for the year	-	-
Disposals	-	-
<b>Accumulated depreciation as at March 31, 2021</b>	<b>57.74</b>	<b>57.74</b>

Particulars	Software	Total
Net carrying amount as at March 31, 2020	5.85	5.85
Net carrying amount as at March 31, 2021	5.85	5.85

Note 4 : Investments in Subsidiaries

(Rs. in '000)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Investment in Equity instruments - Subsidiaries - Carried at Cost Unquoted, fully paid up</b>		
49,90,000 (As at March 31, 2020 - 49,90,000) Equity Share of Rs. 10/- each of Naxpar Pharma Pvt. Ltd.	99,800.00	99,800.00
<b>Total</b>	<b>99,800.00</b>	<b>99,800.00</b>
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, 2021

## Note 5 : Non-Current Investments

(Rs. in '000)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Other Equity instruments, at fair value through profit &amp; loss Unquoted, fully paid-up</b>		
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
<b>Total</b>	<b>895.48</b>	<b>895.48</b>
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)

(Rs. in '000)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Unsecured, Considered good</b>		
Security Deposit	534.30	534.30
Provision for Gratuity	358.30	-
<b>Total</b>	<b>892.60</b>	<b>534.30</b>

## Note 7 : Inventories

(Rs. in '000)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>(As taken, valued and certified by the Management) (Valued at Cost or Market value, whichever is lower)</b>		
Raw Material	2,021.76	972.18
Packing Material	3,776.84	532.45
<b>Total</b>	<b>5,798.60</b>	<b>1,504.63</b>
Note: Inventory write downs are accounted, considering the nature of inventory, ageing, liquidation plan and net realisable value.		

## Note 8 : Trade Receivable

(Rs. in '000)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unsecured, Considered good	4,325.90	20,629.69
<b>Total</b>	<b>4,325.90</b>	<b>20,629.69</b>

## Note 9 : Cash and Cash Equivalents

(Rs. in '000)

Particulars	As at 31st March, 2021	As at 31st March, 2020
(a) Cash on Hand	55.08	19.86
(b) Balance with Scheduled Banks - In Current Accounts	962.12	1,059.33
<b>Total</b>	<b>1,017.19</b>	<b>1,079.19</b>



## Notes to Standalone Financial Statements for the year ended 31st March, 2021

## Note 10 : Bank balances other than cash &amp; cash equivalents

(Rs. in '000)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Balance with Scheduled Banks</b>		
- In Fixed Deposit Account (Lodged as margin money against bank guarantee)	126.98	119.80
<b>Total</b>	<b>126.98</b>	<b>119.80</b>

## Note 11 : Loans

(Rs. in '000)

Particulars	As at 31st March, 2020	As at 31st March, 2020
<b>Unsecured, considered good</b>		
Loans and Advances to Employees	326.06	248.06
<b>Total</b>	<b>326.06</b>	<b>248.06</b>

## Note 12 : Current tax assets (net)

(Rs. in '000)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Advance Income Tax	3.22	1,328.62
<b>Total</b>	<b>3.22</b>	<b>1,328.62</b>

## Note 13 : Other current assets

(Rs. in '000)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Advances recoverable in cash or in kind or for value to be received	3,398.35	2,846.56
Advance to Supplier	1,127.62	1,097.09
<b>Balance with Government Authorities</b>		
Balance with GST	1,540.34	858.05
GST Refund Receivable	1,661.50	2,107.24
Sales Tax	146.38	146.38
<b>Total</b>	<b>7,874.19</b>	<b>7,055.32</b>

## Note 14 : Assets classified as held for sale

(Rs. in '000)

Particulars	As at 31st March, 2021	As at 31st March, 2020
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	-	-
<b>Total</b>	<b>37,405.13</b>	<b>37,405.13</b>

**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, 2021

## Note 15 : Share Capital

(Rs. in '000)

Particulars	As at 31st March, 2021	As at 31st March, 2020		
<b>Authorised:</b> 100,00,000 (100,00,000) Equity Shares of Rs. 10/- each	1,00,000.00	1,00,000.00		
<b>Total</b>	<b>1,00,000.00</b>	<b>1,00,000.00</b>		
<b>Issued, Subscribed and Paid up:</b> 85,04,866 (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)	85,048.66	85,048.66		
<b>Total</b>	<b>85,048.66</b>	<b>85,048.66</b>		
<b>(i) Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period :</b> Number of shares at the beginning of the year Add: Issued during the year	85,04,866 -	85,04,866 -		
<b>Number of shares at the end of the year</b>	<b>85,04,866</b>	<b>85,04,866</b>		
<b>(ii) Terms/rights attached to Equity Shares</b> 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.				
<b>(iii) Detail of shares held by the holding company, the ultimate holding company, their subsidiaries and associates :</b>	<b>Nil</b>	<b>Nil</b>		
<b>(iv) Details of Shares held by each shareholder holding more than 5% shares :</b>				
Name of Shareholder	As at 31st March, 2021		As at 31st March, 2020	
	No. of Shares	%	No. of Shares	%
Baiju Shah	6,28,261	7.39%	6,28,261	7.39%
Binoy Shah	13,69,600	16.10%	13,69,600	16.10%
Ila Shah	6,60,872	7.77%	6,60,872	7.77%
Mihir Shah	11,41,250	13.42%	11,41,250	13.42%
Pragna Shah	5,39,887	6.35%	5,39,887	6.35%
Prakash Shah	6,75,426	7.94%	6,75,426	7.94%



Notes to Standalone Financial Statements for the year ended 31st March, 2021

Note 16 : Reserves & Surplus

(Rs. in '000)

Particulars	As at 31st March, 2021	As at 31st March, 2020
General Reserve	63,665.78	63,665.78
Surplus in Statement of profit & loss	(1,02,322.60)	(90,999.42)
Accumulated other comprehensive income - Actuarial Gains/(Losses)	747.71	518.52
<b>Total</b>	<b>(37,909.11)</b>	<b>(26,815.12)</b>

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>A) General Reserve Account</b>		
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>B) Surplus / (Deficit) in Statement of Profit and Loss</b>		
Opening Balance	(90,999.42)	(70,954.33)
Add/(Less): profit/(loss) for the year	(11,323.18)	(20,045.10)
Add/(Less): Amortisation of land transfer to asset held for disposal	-	-
Closing Balance	(1,02,322.60)	(90,999.42)
<b>C) Other Comprehensive income</b>		
Opening Balance	518.52	485.03
Add/(Less): for the year	229.19	33.49
Closing balance	747.71	518.52
<b>Total</b>	<b>(37,909.11)</b>	<b>(26,815.12)</b>

Note 17 : Long Term Borrowings

(Rs. in '000)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Secured</b>		
<b>Term Loans</b>		
- From Banks	18,896.88	27,712.29
<b>Total</b>	<b>18,896.88</b>	<b>27,712.29</b>

**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	43	October 2024

## Notes to Standalone Financial Statements for the year ended 31st March, 2021

## Note 18 - Long Term Provisions

(Rs. in '000)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Provision for Gratuity	-	68.89
Provision for Leave Encashment	68.99	63.52
<b>Total</b>	<b>68.99</b>	<b>132.42</b>

## Note 19 : Short Term Borrowing

(Rs. in '000)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Unsecured</b>		
From Directors, Payable on demand	87,824.50	80,314.48
<b>Total</b>	<b>87,824.50</b>	<b>80,314.48</b>

## Note 20 : Trade Payables

(Rs. in '000)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Trade Payables:</b>		
Total outstanding dues of micro enterprises and small enterprises*	7,741.40	7,883.55
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,672.45	2,518.09
<b>Total</b>	<b>11,413.85</b>	<b>10,401.65</b>

\*Disclosure relating to suppliers registered under MSMED Act based on the information available with the Company

Particulars	As at 31st March, 2021	As at 31st March, 2020
(a) Amount remaining unpaid to any supplier at the end of each accounting year/ period:		
Principal	7,741.40	7,883.55
Interest	-	-
<b>Total</b>	<b>7,741.40</b>	<b>7,883.55</b>
(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.	-	-

The Management has identified enterprises 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 31 March 2021 and 31 March 2020 a has been made in the financial statements based on the information received and available with the Company.



## Notes to Standalone Financial Statements for the year ended 31st March, 2021

## Note 21 : Other Financial Liabilities

(Rs. in '000)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Current Maturities of Long Term Debts	7,423.78	2,590.70
<b>Other Payables:</b>		
Sundry Creditors for Expenses	3,072.72	5,146.68
<b>Total</b>	<b>10,496.50</b>	<b>7,737.37</b>

## Note 22 - Other current liabilities

(Rs. in '000)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Statutory Remittances	510.13	577.60
Advances from Customers	19.96	1,383.69
<b>Total</b>	<b>530.09</b>	<b>1,961.29</b>

## Note 23 - Short-Term Provision

(Rs. in '000)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Provision for Gratuity	27.87	15.01
Provision for Leave Encashment	2.85	2.66
<b>Total</b>	<b>30.72</b>	<b>17.66</b>

## Note 24 : Revenue from Operations

(Rs. in '000)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Sale of Goods	23,727.62	76,795.42
<b>Total</b>	<b>23,727.62</b>	<b>76,795.42</b>

## Note 25 : Other Income

(Rs. in '000)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Dividend	-	47.08
Interest Received on FDR	7.19	8.85
Interest on Income Tax Refund	-	8.78
Duty Drawback Received	143.64	907.15
Export Incentives (MEIS)	318.39	2,000.26
Exchange Gain	2.27	1,005.50
Rent Received	180.00	180.00
<b>Total</b>	<b>651.48</b>	<b>4,157.62</b>



## Notes to Standalone Financial Statements for the year ended 31st March, 2021

## Note 26 : Cost of Material Consumed

(Rs. in '000)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Opening Stock	1,504.63	4,177.15
Add:- Purchases during the year	7,133.14	23,382.21
	8,637.77	27,559.36
Less: - Closing Stock	5,798.60	1,504.63
<b>Total</b>	<b>2,839.17</b>	<b>26,054.73</b>

## Note 27 : Purchase of Stock in Trade

(Rs. in '000)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Opening Stock of Finished Goods Traded	-	-
Add: Purchases during the year	11,741.73	17,054.75
	11,741.73	17,054.75
Less: Closing Stock of Finished Goods Traded	-	-
<b>Total</b>	<b>11,741.73</b>	<b>17,054.75</b>

## Note 28 : Employee Benefits Expenses

(Rs. in '000)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Salaries and Wages	4,056.28	4,390.36
Bonus & Exgratia	79.33	261.60
Staff Welfare Expenses	37.91	132.73
Gratuity Paid	57.73	63.44
Employer's Contribution to Provident Fund	198.43	257.47
Contribution to ESIC	3.79	-
Leave encashment	38.21	28.45
<b>Total</b>	<b>4,471.68</b>	<b>5,134.05</b>

## Note 29 : Finance Cost

(Rs. in '000)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Bank Charges & Commission	134.52	381.58
Interest Paid to Bank - Term Loan	3,020.63	3,446.64
Interest Paid on Unsecured Loans	5,079.41	3,838.50
Interest paid to Others	38.39	67.80
Interest expenses on unwinding of discounts	27.01	6,050.79
<b>Total</b>	<b>8,299.96</b>	<b>13,785.31</b>



Notes to Standalone Financial Statements for the year ended 31st March, 2021

Note 30 : Other Expenses

(Rs. in '000)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
<b>(A) Manufacturing Expenses</b>		
Analytical Charges, Chemical & Glassware Consumed	22.75	143.44
Power & Fuel Consumed	1,286.71	1,345.64
Factory Expenses	29.98	24.79
Freight & Octroi	55.65	193.48
Loading Unloading & Packing Charges	17.99	96.15
License Fees	3.00	27.10
Job Work Charges Paid	985.04	3,042.59
Repair & Maintenance		
-Other	51.71	6.85
Security Charges	420.28	595.63
	<b>2,873.10</b>	<b>5,475.67</b>
<b>(B) Selling and Distribution Expenses</b>		
Sales Promotion Expenses	8.82	-
Advertisement Expenses	65.34	47.04
CHA Charges	166.43	1,842.97
Freight & Octroi (Export & Outward)	1,864.35	2,044.89
Export Insurance	18.24	92.01
Export Expenses	-	9.05
Product Development & Registration Charges	31.80	235.63
Travelling Expenses	4.74	68.31
	<b>2,159.72</b>	<b>4,339.91</b>
<b>(C) Administrative and General Expenses</b>		
Rent Rates & Taxes	343.38	764.07
Insurance	687.69	685.02
Legal & Professional Fees	776.85	796.52
Payment to Auditors		
<b>As auditor :</b>		
- Statutory and Tax audit fees	250.00	250.00
<b>In other capacity:</b>		
- Taxation Matters	-	47.50
- Other matters	25.00	25.00
ROC Filing Fees	5.10	10.20
Office Expenses	3.56	11.43
Conveyance	105.45	156.92
Sundry Balances W/off	(141.56)	40.09
Printing & Stationery	34.10	97.75
Telephone Expenses	47.99	56.20
Postage & Courier	73.44	198.75
Motor Car Expenses	71.41	54.74
Electricity Charges	135.11	180.64
Membership & subscription	59.44	51.48
Other Expenses	77.99	159.69
Listing Fees	300.00	300.00
Loss on sale of Fixed Asset	-	34.06
Expected credit losses	1,235.69	9,470.47
	<b>4,091</b>	<b>13,391</b>
<b>Total</b>	<b>9,123</b>	<b>23,206</b>

## Notes to Standalone Financial Statements for the year ended 31st March, 2021

## 31 Income taxes

(Rs. in '000)

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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current tax		
Current year	-	-
Short Provision for Tax for earlier years	1,328.62	-
<b>Total current tax</b>	<b>1,328.62</b>	-
<b>Deferred tax</b>		
Relating to origination and reversal of temporary difference	(2,541.88)	15,324.84
<b>Total deferred income tax expense/(credit)</b>	<b>(2,541.88)</b>	<b>15,324.84</b>
<b>Total income tax expense/(credit)</b>	<b>(1,213.26)</b>	<b>15,324.84</b>

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

(Rs. in '000)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit /(loss) before taxation	(12,536.45)	(4,720.26)
Enacted income tax rate in India	25.168%	26.00%
Tax at the enacted income tax rate	(3,155.17)	(1,227.27)
<b>Reconciliation line items:</b>		
Tax credits not recognised	(613.29)	(16,552.10)
Tax pertaining to Earlier Years	(1,328.62)	-
Others	-	-
<b>Tax expense/ (credit)</b>	<b>(1,213.26)</b>	<b>15,324.84</b>

## © The movement in deferred tax assets and liabilities during the year ended March 31, 2021 and March 31, 2020:

(Rs. in '000)

Particulars	As at April 01, 2020	Credit/ (charge) in Statement of profit and loss	As at March 31, 2021
<b>Deferred tax assets/(liabilities)</b>			
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
	<b>10,602.13</b>	<b>2,464.80</b>	<b>13,066.92</b>

Particulars	As at April 01, 2019	Credit/ (charge) in Statement of profit and loss	As at March 31, 2020
<b>Deferred tax assets/(liabilities)</b>			
On losses and unabsorbed depreciation	31,003.63	(14,732.71)	16,270.93
On account of depreciation	(5,101.65)	(606.17)	(5,707.82)
On expenses allowable on payment basis	36.75	2.27	39.02
	<b>25,938.73</b>	<b>(15,336.60)</b>	<b>10,602.13</b>



## Notes to Standalone Financial Statements for the year ended 31st March, 2021

**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.

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

**A. Balance Sheet**

(Rs. in '000)

Particulars	Defined benefit plans	
	As at March 31, 2021	As at March 31, 2020
Present value of plan liabilities	519.97	877.52
Fair value of plan assets	850.41	793.62
Asset/(Liability) recognised	(330.44)	83.90

**B. Movements in plan assets and plan liabilities**

(Rs. in '000)

Particulars	Present value of obligations	Fair Value of Plan assets
<b>As at 1st April 2020</b>	<b>877.52</b>	<b>793.62</b>
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)	-
<b>As at 31st March 2021</b>	<b>519.97</b>	<b>850.41</b>

Particulars	Present value of obligations	Fair Value of Plan assets
<b>As at 1st April 2019</b>	<b>820.76</b>	<b>706.38</b>
Current service cost	46.39	-
Past service cost	-	-
Interest Cost/(Income)	62.63	49.52
Return on plan assets excluding amounts included in net finance income/cost	-	2.40
Actuarial (gain)/loss arising from changes in financial assumptions	-	53.33
Actuarial (gain)/loss arising from experience adjustments	(105.59)	-
Employer's contribution	-	35.32
Benefit payments	-	-
<b>As at 31st March 2020</b>	<b>877.52</b>	<b>793.62</b>

## Notes to Standalone Financial Statements for the year ended 31st March, 2021

## C. Statement of Profit and Loss

(Rs. in '000)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Employees Benefit Expenses:</b>		
Current service cost	57.14	46.39
Interest cost/(income)	0.59	13.10
Total amount recognised in Statement of Profit & Loss	57.73	59.49
<b>Remeasurement of the net defined benefit liability:</b>		
Return on plan assets excluding amounts included in net finance income/(cost)	0.50	(2.40)
Actuarial gains/(losses) arising from changes in financial assumptions	7.21	53.33
Experience gains/(losses)	(299.89)	(105.59)
<b>Total amount recognised in Other Comprehensive Income</b>	<b>(292.18)</b>	<b>(54.65)</b>

## 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, 2021	As at March 31, 2020
<b>Financial Assumptions</b>		
Discount rate	6.71%	6.84%
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, 2021	As at March 31, 2020
Insurance policies	100%	100%

## F. Sensitivity

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

(Rs. in '000)

Particulars	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1.00%	466.45	582.84
Salary Escalation Rate	1.00%	586.90	462.19

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, 2021

**G. The defined benefit obligations shall mature after year end 31st March, 2021 as follows: (Rs. in '000)**

Year ending March 31, 2021	Defined benefit obligation
2022	27.87
2023	8.18
2024	8.80
2025	9.57
2026	10.17
Thereafter	233.50

The weighted average duration of the defined benefit obligation is 15.70

**33 Contingent liabilities (Rs. in '000)**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Claims against the Company not acknowledged as debts</b>		
(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
	<b>6,317.00</b>	<b>6,317.00</b>

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, 2020. (As at March 31, 2019 - Nil)

**35 Earning Per share (Rs. in '000)**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit after tax available for equity shareholders	(11,323.18)	(20,045.10)
Weighted average number of equity shares	8,504.87	8,504.87
Nominal value of equity shares	10	10
Basic and diluted Earning Per Share	(1.33)	(2.36)

**36 Net debt reconciliations (Rs. in '000)**

Particulars	As at March 31, 2021	As at March 31, 2020
Non-Current borrowings	18,896.88	27,712.29
Current borrowings (including current maturities)	95,248.28	82,905.18
	<b>1,14,145.16</b>	<b>1,10,617.48</b>

## Notes to Standalone Financial Statements for the year ended 31st March, 2021

(Rs. in '000)

Particulars	For the year ended March 31, 2021
<b>Net debt as at April 01, 2020</b>	<b>1,10,617.48</b>
Cash flows	3,500.67
Unwinding of discounts on Interest free loan	27.01
Borrowing cost	-
<b>Net debt as at March 31, 2021</b>	<b>1,14,145.16</b>

**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, 2021**

(Rs. in '000)

Particulars	FVOCI	FVTPL	Amortised cost	Total fair value	Carrying amount
<b>Financial assets</b>					
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
<b>Total</b>	-	-	<b>7,584.22</b>	<b>7,584.22</b>	<b>7,584.22</b>
<b>Financial liabilities</b>					
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
<b>Total</b>	-	-	<b>1,24,959.28</b>	<b>1,24,959.28</b>	<b>1,24,959.28</b>

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.



Notes to Standalone Financial Statements for the year ended 31st March, 2021

As at March 31, 2020

(Rs. in '000)

Particulars	FVOCI	FVTPL	Amortised cost	Total fair value	Carrying amount
<b>Financial assets</b>					
Investments	-	-	895.48	895.48	895.48
Trade receivables	-	-	20,629.69	20,629.69	20,629.69
Cash and cash equivalents	-	-	1,079.19	1,079.19	1,079.19
Other bank balances	-	-	119.80	119.80	119.80
Loans	-	-	248.06	248.06	248.06
Other financial assets	-	-	534.30	534.30	534.30
<b>Total</b>	-	-	<b>23,506.51</b>	<b>23,506.51</b>	<b>23,506.51</b>
<b>Financial liabilities</b>					
Borrowings	-	-	1,10,617.48	1,10,617.48	1,10,617.48
Trade payables	-	-	7,883.55	7,883.55	7,883.55
Others	-	-	5,146.68	5,146.68	5,146.68
<b>Total</b>	-	-	<b>1,23,647.71</b>	<b>1,23,647.71</b>	<b>1,23,647.71</b>

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:**

(Rs. in '000)

Particulars	Carrying amount	Payable on demand	1-12 months	More than 12 months
<b>As at March 31, 2021</b>				
<b>Non-derivative liabilities</b>				
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	-
	<b>1,24,959.28</b>	<b>87,824.50</b>	<b>18,237.90</b>	<b>18,896.88</b>
<b>As at March 31, 2020</b>				
<b>Non-derivative liabilities</b>				
Borrowings	1,10,617.48	80,314.48	2,590.70	27,712.29
Trade payables	7,883.55	-	7,883.55	-
Other financial liabilities	5,146.68	-	5,146.68	-
	<b>1,23,647.71</b>	<b>80,314.48</b>	<b>15,620.93</b>	<b>27,712.29</b>

## Notes to Standalone Financial Statements for the year ended 31st March, 2021

**(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****(Rs. in '000)**

Particulars	Trade receivables	
	In Foreign Currency	In INR
<b>As at March 31, 2021</b>		
- USD/Euro	29.56	2,172.61
<b>As at March 31, 2020</b>		
- USD/Euro	126.93	10,913.67

**(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.

**(Rs. in '000)**

Exposure to Interest rate risk	As at March 31, 2021	As at March 31, 2020
Total borrowings	1,14,145.16	1,10,617.48
% of Borrowings out of above bearing variable rate of interest	74.75%	76.62%

**Interest rate sensitivity**

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

**(Rs. in '000)**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
50 bp increase would decrease the profit before tax by	426.62	423.79
50 bp decrease would increase the profit before tax by	(426.62)	(423.79)

**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, 2021

(C) Exposure to the Credit risks

(Rs. in '000)

Exposure to the Credit risks	As at March 31, 2021	As at March 31, 2020
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL) - Trade Receivables	4,325.90	20,629.69

**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**

(Rs. in '000)

	As at March 31, 2021	As at March 31, 2020
< 180 days	3,736.53	18,242.90
> 180 days	589.38	2,386.80
	<b>4,325.90</b>	<b>20,629.69</b>

Movement in provision of doubtful debts and advances - There were no Provision of doubtful debts as on March 31, 2021 and March 31, 2020.

**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.

(Rs. in '000)

	As at March 31, 2021	As at March 31, 2020
Total equity	47,139.55	58,233.54
Net debt (Total borrowings less cash and cash equivalents)	1,13,127.97	1,09,538.29
<b>Total capital (Borrowings and Equity)</b>	<b>1,60,267.52</b>	<b>1,67,771.83</b>
<b>Gearing ratio</b>	<b>70.59%</b>	<b>65.29%</b>

## Notes to Standalone Financial Statements for the year ended 31st March, 2021

**(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. Nithyasha Healthcare Pvt. Ltd.

M/s. Naxpar Medicamentos LLP

M/s. Naxpar Pharma FZ LLC

**Transactions with Related parties****(Rs. in '000)**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Sale of Material</b>		
- Naxpar Pharma Pvt. Ltd., Subsidiary	4,045.97	431.37
- Naxpar Medicamentos LLP	951.75	1,223.91
- Naxpar Pharma FZ LLC	827.90	7,028.71
<b>Purchase of Material</b>		
- Naxpar Pharma Pvt. Ltd., Subsidiary	5,402.41	17,976.66
- Nithyasha Healthcare Pvt. Ltd.	2,335.20	1,517.65
<b>Rent Received</b>		
- Naxpar Medicamentos LLP	180.00	212.40
<b>Salary paid to KMP</b>		
- Mr. Binoy B. Shah	150.00	600.00
<b>Interest paid on loan</b>		
- Mrs. Ami M Shah	5,079.41	3,838.50
<b>Loan taken</b>		
- Mr. Prakash M Shah	475.00	-
- Mr. Baiju M Shah	2,500.00	51,090.00
- Mrs. Ami M Shah	-	51,000.00
<b>Loan repaid</b>		
- Mr. Baiju M Shah	13.44	47,225.00
- Mr. Prakash M Shah	-	675.00
- Mrs. Ami M Shah	150.00	-



## Notes to Standalone Financial Statements for the year ended 31st March, 2021

Balances as at

(Rs. in '000)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Receivable</b>		
- Naxpar Medicamentos LLP	1,154.46	1,436.31
- Naxpar Pharma FZ LLC	841.64	1,985.46
<b>Payables</b>		
- Naxpar Pharma Pvt. Ltd., Subsidiary	1,824.48	107.01
- Mr. Baiju M Shah, Director	65.37	65.37
- Mr. Binoy B Shah, KMP	838.81	707.41
<b>Unsecured loan from</b>		
- Mr. Prakash M Shah	11,701.75	11,226.75
- Mr. Baiju M Shah	17,119.64	14,633.08
- Mrs. Ami M Shah	59,003.11	54,454.65
<b>Deposit receivable</b>		
- M/s. 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 25 as 'Rent Received'.

- 43** 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.
- 44** The financial statements were approved for issue by the Board of Directors on 30<sup>th</sup> June, 2021
- 45** The figures of the previous year's have been regrouped or reclassified wherever necessary to make them comparable.

**For Ladha Singhal and Associates**  
Chartered Accountants  
Firm's Registration No : 120241W

Sd/-  
(Vinod Ladha)  
Partner  
M. No. 104151  
Place : Mumbai  
Date : 30<sup>th</sup> June, 2021

**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, 2021, 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, 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, 2021, and its consolidated losses (including other comprehensive income) their consolidated cash flows and consolidated changes 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 Consolidated Financial Statements section of our report. We are independent of the Group 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 we have obtained 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. <b>The Key Audit Matter</b>	<b>How was the matter addressed in our audit</b>
<p>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.</p> <p>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.</p>	<p>In view of significance of the matter we applied following audit procedures in this area, among others to obtain sufficient and appropriate audit evidence:</p> <ul style="list-style-type: none"> <li>• Evaluated compliance of the revenue recognition accounting policies by comparing with Ind AS 115 “Revenue from Contracts with Customers”.</li> <li>• 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.</li> <li>• 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.</li> <li>• Evaluated adequacy of disclosures in relation to revenue in the standalone financial statements.</li> </ul>



**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 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 and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. When we read the Annual Report, if 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.

**Report on other Legal and Regulatory Requirements**

16. 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.
17. 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 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 and the 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 31st March, 2021, 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 31st March, 2021, 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".
- g) 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 2021 on the consolidated financial position of the Group – Refer Note 34 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.

**For Ladha Singhal & Associates**

Chartered Accountants

Firm Registration No.: 120241W

**(Vinod Ladha)**

Partner

M.No.: 104151

Place :Mumbai

Dated:30<sup>th</sup> June, 2021

UDIN : 21104151AAAAFB1212



## 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 31<sup>st</sup> March, 2021.

### 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 31<sup>st</sup> March, 2021 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 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 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, 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 31<sup>st</sup> March 2021, 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.

**For Ladha Singhal & Associates****Chartered Accountants**

Firm Registration No.: 120241W

**(Vinod Ladha)**

Partner

M.No.: 104151

Place : Mumbai

Dated : 30<sup>th</sup> June, 2021

UDIN : 21104151AAAAFB1212



## Consolidated Balance Sheet as at 31st March, 2021

(Rs. in '000)

	Particulars	Note No.	As at 31st March, 2021	As at 31st March, 2020
<b>I</b>	<b>ASSETS</b>			
	<b>1. Non - Current Assets</b>			
	(a) Property, plant and equipment	2	5,62,634.22	5,67,344.09
	(b) Capital Work in Progress		49,108.06	29,140.06
	(c) Intangible assets	3	1,412.19	2,060.37
	(d) Right-of-use-asset	43	32,594.46	7,376.81
	(e) Financial assets			
	(i) Investments	4	2,246.48	2,246.48
	(ii) Other financial assets	5	5,107.63	4,845.50
	(f) Other non current assets	6	17,076.81	2,443.22
			6,70,179.85	6,15,456.52
	<b>2. Current Assets</b>			
	(a) Inventories	7	1,07,892.39	1,11,511.43
	(b) Financial assets			
	(i) Trade Receivable	8	1,67,103.65	2,30,841.96
	(ii) Cash and Cash Equivalents	9	1,814.26	3,868.31
	(iii) Bank balances other than (ii) above	10	10,842.79	9,094.78
	(iv) Loans	11	8,567.50	6,007.26
	(c) Current tax assets(net)	12	25,996.19	19,693.44
	(d) Other current assets	13	32,777.31	37,711.76
			3,54,994.08	4,18,728.95
	<b>3. Assets classified as held for disposal</b>	14	37,405.13	37,405.13
	<b>TOTAL ASSETS</b>		<b>10,62,579.06</b>	<b>10,71,590.60</b>
<b>II</b>	<b>EQUITY AND LIABILITIES</b>			
	<b>1. Equity</b>			
	(a) Share Capital	15	85,048.66	85,048.66
	(b) Other equity	16	2,40,388.09	2,42,901.71
	<b>Equity attributable to owners</b>		<b>3,25,436.75</b>	<b>3,27,950.37</b>
	Non-Controlling Interest		766.77	749.57
	<b>Total equity</b>		<b>3,26,203.51</b>	<b>3,28,699.94</b>
	<b>2. Liabilities</b>			
	<b>Non-Current liabilities</b>			
	(a) Financial Liabilities			
	(i) Long term borrowings	17	1,39,757.96	1,91,530.49
	(ii) Lease Liabilities	43	31,552.96	7,199.54
	(b) Long term provisions	18	2,579.64	2,691.27
	(c) Deferred tax liabilities (net)	32	18,744.89	16,893.71
			1,92,635.46	2,18,315.00
	<b>Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Short term borrowings	19	3,64,338.90	2,81,138.96
	(ii) Trade Payables	20		
	- Total outstanding dues of micro enterprises and small enterprises		37,694.34	55,830.05
	- Total outstanding dues of creditors other than micro enterprises and small enterprises		24,623.15	52,730.88
	(iii) Lease Liabilities	43	1,263.74	191.49
	(iv) Other financial Liabilities	21	1,09,672.84	1,25,170.73
	(b) Other current liabilities	22	5,584.61	9,183.28
	(c) Short Term Provision	23	562.51	330.27
			5,43,740.09	5,24,575.66
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>10,62,579.06</b>	<b>10,71,590.60</b>
	Significant Accounting Policies	1		

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

For Ladha Singhal and Associates  
Chartered Accountants  
Firm's Registration No : 120241W

Sd/-  
(Vinod Ladha)  
Partner  
M. No. 104151  
Place : Mumbai  
Date : 30<sup>th</sup> June, 2021

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, 2021

(Rs. in '000)

	Particulars	Note No.	For the year ended 31st March 2021	For the year ended 31st March 2020
I	Revenue from Operations (gross)	24	9,00,599.94	9,53,148.37
II	Other Income	25	2,102.56	6,623.03
<b>III</b>	<b>Total Revenue (I + II)</b>		<b>9,02,702.51</b>	<b>9,59,771.40</b>
<b>IV</b>	<b>Expenses</b>			
	Cost of Materials Consumed	26	4,04,082.83	4,52,959.01
	Purchase of Stock In Trade	27	9,030.47	8,797.36
	Change in Inventories	28	4,474.81	(9,034.50)
	Employee Benefit Expenses	29	1,36,834.60	1,40,798.30
	Finance Cost	30	50,810.65	46,017.64
	Depreciation and Amortization Expense	2	51,597.02	44,594.37
	Other Expenses	31	2,46,709.62	2,95,311.96
	<b>Total Expenses</b>		<b>9,03,540.00</b>	<b>9,79,444.13</b>
<b>V</b>	<b>Profit / (Loss) before tax (III-IV)</b>		<b>(837.49)</b>	<b>(19,672.73)</b>
<b>VI</b>	<b>Tax Expense:</b>	32		
	(a) Current Tax		1,952.79	-
	(b) Deferred Tax (Asset) / Liability		1,458.31	9,848.90
	(c) MAT credit		(1,952.79)	-
	(d) Short (Excess) Prov for Tax for Earlier Years		1,328.62	(360.76)
			<b>2,786.93</b>	<b>9,488.14</b>
<b>VII</b>	<b>Profit / (Loss) after tax (V-VI)</b>		<b>(3,624.42)</b>	<b>(29,160.87)</b>
<b>VIII</b>	<b>Other Comprehensive Income</b>			
	A.(I) Items that will not be reclassified to profit & loss			
	Remeasurements of post-employment benefit obligations		1,520.87	(286.70)
	A.(ii) Income tax relating to items that will not be reclassified to profit or loss		(392.88)	74.54
	<b>Total Other Comprehensive income</b>		<b>1,127.99</b>	<b>(212.16)</b>
	<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR(VII+VIII)</b>		<b>(2,496.43)</b>	<b>(29,373.03)</b>
	<b>Total profit/(loss) for the year attributable to:</b>			
	- Owners of the Company		(3,639.82)	(29,142.64)
	- Non-controlling interests		15.40	(18.23)
	<b>Other Comprehensive income attributable to :</b>			
	- Owners of the Company		1,126.19	(211.66)
	- Non-controlling interests		1.80	(0.49)
	<b>Total Comprehensive income attributable to:</b>			
	- Owners of the Company		(2,513.63)	(29,354.31)
	- Non-controlling interests		17.20	(18.72)
<b>IX</b>	<b>Earnings Per Equity Share of Rs.10/- each :</b>			
	Weighted average no. of shares (Basic & Diluted)		8,505	8,505
	Basic & Dilute Earning Per Share (Rs.)		(0.43)	(3.43)
	<b>Significant Accounting Policies</b>	1		

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

For Ladha Singhal and Associates  
Chartered Accountants  
Firm's Registration No : 120241W

Sd/-  
(Vinod Ladha)  
Partner  
M. No. 104151  
Place : Mumbai  
Date : 30<sup>th</sup> June, 2021

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, 2021

(Rs. in '000)

	Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit/(Loss) before tax	(837.49)	(19,672.73)
	<b>Adjustments for</b>		
	Depreciation	51,597.02	44,594.37
	Finance Cost	50,810.65	46,017.64
	(Profit) Loss on sale of Property, plant & equipments	(105.55)	34.06
	Sundry Balances written off	801.32	(44.97)
	Interest & Dividend income	(820.41)	(895.05)
	<b>Operating Loss Before Working Capital Adjustments</b>	<b>1,01,445.54</b>	<b>70,033.32</b>
	<b>Changes in Working Capital</b>		
	<u>Adjustments for (increase) / decrease in operating assets:</u>		
	Inventories	3,619.04	(26,808.10)
	Trade receivables	63,738.31	(39,106.66)
	Other assets (Financials and Non Financial assets)	(12,521.51)	53,446.61
	<u>Adjustments for increase / (decrease) in operating liabilities:</u>		
	Trade payables	(47,044.76)	35,981.06
	Other liabilities (Financials and Non Financial assets)	(38,558.47)	4,631.13
	<b>Cash generated from operations</b>	<b>70,678.15</b>	<b>98,177.36</b>
	Direct Tax Paid (Refund) [Net]	7,589.10	10,722.77
	<b>Net cash flow from / (used in) operating activities (A)</b>	<b>63,089.05</b>	<b>87,454.60</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of property, plant & equipment	(45,433.06)	(1,03,620.22)
	Expenditure on capital work in progress	(19,968.00)	(27,725.06)
	Expenditure on asset held for disposal	-	(466.35)
	Investment in fixed deposit	(1,748.01)	(2,613.27)
	Proceeds from sale of fixed assets	680.00	300.00
	Proceeds/(Purchase) from sale of Non Current Investments	-	(100.00)
	Interest & Dividend income	820.41	886.21
	<b>Net cash flow from / (used in) investing activities (B)</b>	<b>(65,648.66)</b>	<b>(1,33,338.69)</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds from long-term borrowings (net)	(31,883.73)	(27,999.06)
	Proceeds from Short-term borrowings (net)	83,199.94	1,24,288.23
	Finance Cost	(50,810.65)	(46,017.64)
	<b>Net cash flow from / (used in) financing activities (c)</b>	<b>505.56</b>	<b>50,271.53</b>
	<b>Net increase (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(2,053.90)</b>	<b>4,387.44</b>
	<b>Cash and cash equivalents at the beginning of the year</b>	<b>3,868.31</b>	<b>(519.13)</b>
	<b>Cash and cash equivalents at the end of the year</b>	<b>1,814.26</b>	<b>3,868.31</b>

For Ladha Singhal and Associates  
Chartered Accountants  
Firm's Registration No : 120241W

Sd/-  
(Vinod Ladha)  
Partner  
M. No. 104151  
Place : Mumbai  
Date : 30<sup>th</sup> June, 2021

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, 2021

**(A) Equity Share Capital** (Rs. in '000)

<b>Balance as at April 01, 2019</b>	<b>85,048.66</b>
Changes in share capital during the year	-
<b>Balance as at March 31, 2020</b>	<b>85,048.66</b>
Changes in share capital during the year	-
<b>Balance as at March 31, 2021</b>	<b>85,048.66</b>

**(B) Other Equity**

(Rs. in '000)

	Capital Reserve on Consolidation	General Reserve	Surplus in Statement of profit & loss	Accumulated other comprehensive income - Acturial Gains/(Losses)	Total
<b>Balance as at April 01, 2019</b>	<b>1,622.61</b>	<b>63,665.78</b>	<b>2,07,085.72</b>	<b>(118.10)</b>	<b>2,72,256.02</b>
Profit/(Loss) for the year	-	-	(29,142.64)	-	(29,142.64)
Other comprehensive income for the year	-	-	-	(211.66)	(211.66)
Amortisation of land transfer to asset held for disposal	-	-	-	-	-
<b>Balance as at March 31, 2020</b>	<b>1,622.61</b>	<b>63,665.78</b>	<b>1,77,943.08</b>	<b>(329.76)</b>	<b>2,42,901.71</b>
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	-	-	-	-	-
<b>Balance as at March 31, 2021</b>	<b>1,622.61</b>	<b>63,665.78</b>	<b>1,74,303.26</b>	<b>796.43</b>	<b>2,40,388.09</b>

The accompanying notes are an integral part of these financial statements

For Ladha Singhal and Associates  
Chartered Accountants  
Firm's Registration No : 120241W

Sd/-  
(Vinod Ladha)  
Partner  
M. No. 104151  
Place : Mumbai  
Date : 30<sup>th</sup> June, 2021

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




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**Notes to Consolidated Financial Statements for the year ended 31st March, 2021**
**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, 2021.

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, 2021.

**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 applies to temporary differences that arise from the elimination of profits and losses resulting from intra-group transactions.

**Notes to Consolidated Financial Statements for the year ended 31st March, 2021**

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 non controlling 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

Estimation of uncertainties relating to the global health pandemic from COVID-19

The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipments, investments, inventories, receivables, and other current assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group, as at the date of approval of these financial statements has used internal and external sources of information. There is no material adverse impact of CoVID - 19 pandemic on the Group and its operations/profitability during the financial year ended March 31, 2021. However, CoVID - 19 pandemic effect if any, on the Group's operation / profitability in the current FY 2021-22 can only be assessed in due course.

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**Notes to Consolidated Financial Statements for the year ended 31st March, 2021****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.

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**Notes to Consolidated Financial Statements for the year ended 31st March, 2021**
**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)

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 model 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."





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**Notes to Consolidated Financial Statements for the year ended 31st March, 2021****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 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 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.



**Notes to Consolidated Financial Statements for the year ended 31st March, 2021****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.

**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




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**Notes to Consolidated Financial Statements for the year ended 31st March, 2021**

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 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.

**Notes to Consolidated Financial Statements for the year ended 31st March, 2021**

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

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.




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**Notes to Consolidated Financial Statements for the year ended 31st March, 2021**

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.

**Notes to Consolidated Financial Statements for the year ended 31st March, 2021**

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
- 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 lessee'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 Standalone Financial Statements for the year ended 31st March, 2021**  
**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
<b>Gross carrying amount as at April 01, 2019 (refer note (2) below)</b>	<b>22,615.08</b>	<b>2,16,115.83</b>	<b>5,401.47</b>	<b>1,51,028.76</b>	<b>19,996.73</b>	<b>16,911.83</b>	<b>20,349.38</b>	<b>3,759.13</b>	<b>2,583.52</b>	<b>1,27,577.87</b>	<b>23,449.14</b>	<b>2,605.41</b>	<b>376.78</b>	<b>6,12,770.93</b>
Additions	-	15,205.17	-	52,866.41	5,240.50	3,439.89	2,316.31	1,006.29	392.15	11,755.85	10,908.32	250.07	-	1,03,380.95
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transferred to assets held for disposal	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at March 31, 2020</b>	<b>22,615.08</b>	<b>2,31,321.00</b>	<b>5,401.47</b>	<b>2,03,895.17</b>	<b>25,237.23</b>	<b>20,351.72</b>	<b>22,665.69</b>	<b>4,765.42</b>	<b>2,975.67</b>	<b>1,39,333.73</b>	<b>34,357.46</b>	<b>2,855.48</b>	<b>376.78</b>	<b>7,16,151.88</b>
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance as at March 31, 2021</b>	<b>22,615.08</b>	<b>2,34,604.47</b>	<b>5,401.47</b>	<b>2,25,816.73</b>	<b>25,283.23</b>	<b>28,542.53</b>	<b>23,899.99</b>	<b>5,613.74</b>	<b>3,696.70</b>	<b>1,42,958.22</b>	<b>35,543.74</b>	<b>3,300.85</b>	<b>376.78</b>	<b>7,57,653.54</b>
<b>Accumulated depreciation/Amortisation</b>														
<b>Balance as at April 01, 2019</b>	-	19,167.91	939.86	28,672.02	6,654.39	5,266.53	9,531.89	2,293.51	1,122.41	26,718.97	3,475.67	769.11	326.46	1,04,938.71
Depreciation/Amortisation charge for the year	-	8,121.59	313.29	13,632.09	1,571.76	1,938.90	3,107.93	858.81	458.63	11,530.33	2,089.42	246.32	-	43,869.08
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transferred to assets held for disposal	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Accumulated depreciation as at March 31, 2020</b>	-	<b>27,289.50</b>	<b>1,253.15</b>	<b>42,304.11</b>	<b>8,226.15</b>	<b>7,205.43</b>	<b>12,639.83</b>	<b>3,152.32</b>	<b>1,581.04</b>	<b>38,249.30</b>	<b>5,565.09</b>	<b>1,015.43</b>	<b>326.46</b>	<b>1,48,807.79</b>
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Accumulated depreciation as at March 31, 2021</b>	-	<b>35,951.28</b>	<b>1,588.14</b>	<b>56,237.58</b>	<b>10,218.06</b>	<b>9,381.00</b>	<b>15,284.69</b>	<b>4,182.04</b>	<b>2,126.23</b>	<b>50,325.16</b>	<b>8,122.63</b>	<b>1,276.06</b>	<b>326.46</b>	<b>1,95,019.31</b>
<b>Net carrying amount as at March 31, 2020</b>	<b>22,615.08</b>	<b>2,04,031.50</b>	<b>4,148.32</b>	<b>1,61,591.06</b>	<b>17,011.08</b>	<b>13,146.29</b>	<b>10,025.86</b>	<b>1,613.10</b>	<b>1,394.63</b>	<b>1,01,084.43</b>	<b>28,792.38</b>	<b>1,840.05</b>	<b>50.33</b>	<b>5,67,344.09</b>
<b>Net carrying amount as at March 31, 2021</b>	<b>22,615.08</b>	<b>1,98,653.18</b>	<b>3,813.33</b>	<b>1,69,579.15</b>	<b>15,065.17</b>	<b>19,161.53</b>	<b>8,615.31</b>	<b>1,431.70</b>	<b>1,570.47</b>	<b>92,633.07</b>	<b>27,421.11</b>	<b>2,024.79</b>	<b>50.33</b>	<b>5,62,634.22</b>

**Note:**

1. Refer note no. 35 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, 2021

## Note 3 : Intangible assets

(Rs. in '000)

Particulars	Software	Total
<b>Gross carrying amount cost as at April 01, 2019</b>	<b>3,725.71</b>	<b>3,725.71</b>
Additions	-	-
Disposals	-	-
<b>Balance as at March 31, 2020</b>	<b>3,725.71</b>	<b>3,725.71</b>
Additions	-	-
Disposals	-	-
<b>Balance as at March 31, 2021</b>	<b>3,725.71</b>	<b>3,725.71</b>

## Accumulated depreciation/Amortisation

Particulars	Software	Total
<b>Balance as at April 01, 2019</b>	<b>1,002.05</b>	<b>1,002.05</b>
Depreciation/Amortisation charge for the year	663.29	663.29
Disposals	-	-
<b>Accumulated depreciation as at March 31, 2020</b>	<b>1,665.34</b>	<b>1,665.34</b>
Depreciation/Amortisation charge for the year	648.17	648.17
Disposals	-	-
<b>Accumulated depreciation as at March 31, 2021</b>	<b>2,313.52</b>	<b>2,313.52</b>

Particulars	Software	Total
<b>Net carrying amount as at March 31, 2020</b>	<b>2,060.37</b>	<b>2,060.37</b>
<b>Net carrying amount as at March 31, 2021</b>	<b>1,412.19</b>	<b>1,412.19</b>





Notes to Consolidated Financial Statements for the year ended 31st March, 2021

Note 4 : Non-Current Investments

(Rs. in '000)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Other Equity instruments, at fair value through profit &amp; loss</b>		
<b>Unquoted, fully paid-up</b>		
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
<b>Total</b>	<b>2,246.48</b>	<b>2,246.48</b>
Aggregate amount of Unquoted investments at cost	2,246.48	2,246.48
Aggregate amount of impairment in the value of investment	-	-

Note 5 : Other financial assets (Non-Current)

(Rs. in '000)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Unsecured, Considered good</b>		
Security Deposit	4,749.33	4,845.50
Provision for Gratuity	358.30	-
<b>Total</b>	<b>5,107.63</b>	<b>4,845.50</b>

Note 6 : Other assets (Non-Current)

(Rs. in '000)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Unsecured, Considered good</b>		
Capital Advance	17,076.81	2,443.22
<b>Total</b>	<b>17,076.81</b>	<b>2,443.22</b>

Note 7 : Inventories

(Rs. in '000)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>(As taken, valued and certified by the Management)</b>		
<b>(Valued at Cost or Market value, whichever is lower)</b>		
Raw Material	39,409.49	36,899.03
Work in Progress	8,941.51	10,164.85
Finished Goods	5,943.32	9,194.78
Packing Material	36,210.08	41,367.49
Others	17,387.99	13,885.29
<b>Total</b>	<b>1,07,892.39</b>	<b>1,11,511.43</b>
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, 2021

## Note 8 : Trade Receivable

(Rs. in '000)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unsecured, Considered good	1,67,103.65	2,30,841.96
<b>Total</b>	<b>1,67,103.65</b>	<b>2,30,841.96</b>

## Note 9 : Cash and Cash Equivalents

(Rs. in '000)

Particulars	As at 31st March, 2021	As at 31st March, 2020
(a) Cash on Hand	211.85	539.11
(b) Balance with Scheduled Banks - In Current Accounts	1,602.41	3,329.20
<b>Total</b>	<b>1,814.26</b>	<b>3,868.31</b>

## Note 10 : Bank balances other than cash &amp; cash equivalents

(Rs. in '000)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Balance with Scheduled Banks - In Fixed Deposit Account (Lodged as margin money against bank guarantee)	10,842.79	9,094.78
<b>Total</b>	<b>10,842.79</b>	<b>9,094.78</b>

## Note 11 : Loans

(Rs. in '000)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unsecured, considered good Loans and Advances to Employees	8,567.50	6,007.26
<b>Total</b>	<b>8,567.50</b>	<b>6,007.26</b>

## Note 12 : Current tax assets (net)

(Rs. in '000)

Particulars	As at 31st March, 2021	As at 31st March, 2019
Advance Income Tax	25,996.19	19,693.44
<b>Total</b>	<b>25,996.19</b>	<b>19,693.44</b>

## Note 13 : Other current assets

(Rs. in '000)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Advances recoverable in cash or in kind or for value to be received	18,820.19	18,171.54
Advance to Supplier	1,127.62	1,097.09
<b>Balance with Government Authorities</b>		
Balance with GST	11,021.61	16,189.50
GST Refund Receivable	1,661.50	2,107.24
Sales Tax	146.38	146.38
<b>Total</b>	<b>32,777.31</b>	<b>37,711.76</b>



Notes to Consolidated Financial Statements for the year ended 31st March, 2021

Note 14 : Assets classified as held for sale

(Rs. in '000)

Particulars	As at 31st March, 2021	As at 31st March, 2020
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	-	-
<b>Total</b>	<b>37,405.13</b>	<b>37,405.13</b>

**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.

Note 15 : Share Capital

(Rs. in '000)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Authorised:</b> 100,00,000 (100,00,000) Equity Shares of Rs. 10/- each	1,00,000.00	1,00,000.00
<b>Total</b>	<b>1,00,000.00</b>	<b>1,00,000.00</b>
<b>Issued, Subscribed and Paid up:</b> 85,04,866 (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)	85,048.66	85,048.66
<b>Total</b>	85,048.66	85,048.66
<b>(i) Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period :</b> Number of shares at the beginning of the year	85,04,866	85,04,866
Add: Issued during the year		
Number of shares at the end of the year	<b>85,04,866</b>	<b>85,04,866</b>

**(ii) 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.

<b>(iii) Detail of shares held by the holding company, the ultimate holding company, their subsidiaries and associates :</b>	Nil	Nil
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**(iv) Details of Shares held by each shareholder holding more than 5% shares :**

Name of Shareholder	As at 31st March, 2021		As at 31st March, 2020	
	No. of Shares	%	No. of Shares	%
Baiju Shah	6,28,261	7.39%	6,28,261	7.39%
Binoy Shah	13,69,600	16.10%	13,69,600	16.10%
Ila Shah	6,60,872	7.77%	6,60,872	7.77%
Mihir Shah	11,41,250	13.42%	11,41,250	13.42%
Pragna Shah	5,39,887	6.35%	5,39,887	6.35%
Prakash Shah	6,75,426	7.94%	6,75,426	7.94%

## Notes to Consolidated Financial Statements for the year ended 31st March, 2021

## Note 16 : Reserves &amp; Surplus

(Rs. in '000)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Capital Reserve on Consolidation	1,622.61	1,622.61
General Reserve	63,665.78	63,665.78
Surplus in Statement of profit & loss	1,74,303.26	1,77,943.08
Accumulated other comprehensive income - Actuarial Gains/(Losses)	796.43	(329.76)
<b>Total</b>	<b>2,40,388.09</b>	<b>2,42,901.71</b>

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>A) Capital Reserve on Consolidation</b>		
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
<b>B) General Reserve Account</b>		
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>C) Surplus / (Deficit) in Statement of Profit and Loss</b>		
Opening Balance	1,77,943.08	2,07,085.72
Add/(Less): profit/(loss) for the year	(3,639.82)	(29,142.64)
Add/(Less): Amortisation of land transfer to asset held for disposal	-	-
Closing Balance	1,74,303.26	1,77,943.08
<b>D) Other Comprehensive income</b>		
Opening Balance	(329.76)	(118.10)
Add/(Less): for the year	1,126.19	(211.66)
Closing balance	796.43	(329.76)
<b>Total</b>	<b>2,40,388.09</b>	<b>2,42,901.71</b>

## Note 17 : Borrowings

(Rs. in '000)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Secured</b>		
<b>Term Loans</b>		
- from Banks	1,37,142.72	1,89,666.82
<b>Car Loans</b>		
- From Banks	2,277.24	1,525.67
<b>Unsecured</b>		
From Intercorporates	338.00	338.00
<b>Total</b>	<b>1,39,757.96</b>	<b>1,91,530.49</b>

## Terms and Conditions

- The term loan is secured by way of secured mortgage of office premises situated at Building No 8, Jogani Industrial Complex, Chunabhathi, 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.
- All the vehicle loans are secured by way of Hypothecation of respective vehicle.



Notes to Consolidated Financial Statements for the year ended 31st March, 2021

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

Nature of Loan	Rate of Interest (%)	Banlance No of Installments	Installments ending on
Apna Sahakari Bank Ltd	10.25%	43	October 2024
Apna Sahakari Bank Ltd	10.25%	1 to 77	April 2021 to August 2027
HDFC Bank Ltd	8.20%	51	June 2025
HDFC Bank Ltd	9.00%	40	July 2024
ICICI Bank Ltd	9.36%	1	April 2021

Note 18 - Long Term Provisions

(Rs. in '000)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Provision for Gratuity	2,031.60	994.34
Provision for Leave Encashment	548.05	1,696.92
<b>Total</b>	<b>2,579.64</b>	<b>2,691.27</b>

Note 19 : Short Term Borrowing

(Rs. in '000)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Secured</b>		
Working Capital Facility - From banks	75,972.72	1,05,310.17
<b>Unsecured</b>		
From Directors , Payable on demand	2,88,366.18	1,75,828.79
<b>Total</b>	<b>3,64,338.90</b>	<b>2,81,138.96</b>

(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 pasu charge on fixed assets and personal guarantee of all the Directors of the company.)

Note 20 : Trade Payables

(Rs. in '000)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Trade Payables:</b>		
Total outstanding dues of micro enterprises and small enterprises*	37,694.34	55,830.05
Total outstanding dues of creditors other than micro enterprises and small enterprises	24,623.15	52,730.88
<b>Total</b>	<b>62,317.49</b>	<b>1,08,560.93</b>

\*Disclosure relating to suppliers registered under MSMED Act based on the information available with the Company

## Notes to Consolidated Financial Statements for the year ended 31st March, 2021

(Rs. in '000)

Particulars	As at 31st March, 2021	As at 31st March, 2020
(a) Amount remaining unpaid to any supplier at the end of each accounting year/ period: Principal	37,694.34	55,830.05
Interest	-	-
<b>Total</b>	<b>37,694.34</b>	<b>55,830.05</b>
(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.	-	-

## Note 21 : Other Financial Liabilities

(Rs. in '000)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Current Maturities of Long Term Debts	52,103.13	32,214.33
<b>Other Payables:</b>		
Sundry Creditors for Expenses	57,569.71	92,956.40
<b>Total</b>	<b>1,09,672.84</b>	<b>1,25,170.73</b>

## Note 22 - Other current liabilities

(Rs. in '000)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Statutory Remittances	4,607.85	3,698.79
Advances from Customers	976.76	5,484.49
<b>Total</b>	<b>5,584.61</b>	<b>9,183.28</b>

## Note 23 - Short-Term Provision

(Rs. in '000)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Provision for gratuity	510.62	198.38
Provision for leave encashment	51.89	131.89
<b>Total</b>	<b>562.51</b>	<b>330.27</b>



## Notes to Consolidated Financial Statements for the year ended 31st March, 2021

## Note 24 : Revenue from Operations

(Rs. in '000)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Sale of Goods	6,15,765.91	7,10,060.67
Sale of Services - Labour Charges	2,84,834.03	2,43,087.70
<b>Total</b>	<b>9,00,599.94</b>	<b>9,53,148.37</b>

## Note 25 : Other Income

(Rs. in '000)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Dividend	15.00	199.23
Interest Received on FDR	805.41	695.82
Interest on Income Tax Refund	-	8.78
Duty Drawback Received	284.43	1,048.49
Export Incentives (MEIS)	652.91	2,325.60
Exchange Gain	2.27	2,039.28
Profit on sale of asset	105.55	-
Rent Received	180.00	180.00
Interest from security deposit	57.00	65.80
Interest on hundi	-	60.03
<b>Total</b>	<b>2,102.56</b>	<b>6,623.03</b>

## Note 26 : Cost of Material Consumed

(Rs. in '000)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
<b>(A) Raw Materials Consumed :</b>		
Opening Stock	78,266.52	69,250.69
Add:- Purchases during the year	4,01,435.89	4,61,974.83
	4,79,702.40	5,31,225.52
Less: Closing Stock	75,619.58	78,266.52
<b>Total</b>	<b>4,04,082.83</b>	<b>4,52,959.01</b>

## Note 27 : Purchase of Stock in Trade

(Rs. in '000)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Opening Stock of Finished Goods Traded	-	-
Add: Purchases during the year	9,030.47	8,797.36
	9,030.47	8,797.36
Less: Closing Stock of Finished Goods Traded	-	-
<b>Total</b>	<b>9,030.47</b>	<b>8,797.36</b>



## Notes to Consolidated Financial Statements for the year ended 31st March, 2021

## Note 28 : Changes In Inventories

(Rs. in '000)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
<b>(a) At the beginning of the period</b>		
(i) Finished Goods	9,194.78	5,371.56
(ii) Work in Progress	10,164.85	4,953.58
<b>(b) At the end of the period</b>		
(i) Finished Goods	5,943.32	9,194.78
(ii) Work in Progress	8,941.51	10,164.85
<b>Total</b>	<b>4,474.81</b>	<b>(9,034.50)</b>

## Note 29 : Employes Benefits Expenses

(Rs. in '000)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Salaries and Wages	1,23,758.27	1,26,409.08
Bonus & Exgratia	740.47	3,165.32
Staff Welfare Expenses	3,667.67	2,652.03
Gratuity Paid	1,615.09	1,430.31
Employer's Contribution to Provident Fund	5,392.97	4,974.73
Contribution to ESIC	1,269.35	1,665.26
Leave encashment	390.79	501.57
<b>Total</b>	<b>1,36,834.60</b>	<b>1,40,798.30</b>

## Note 30 : Finance Cost

(Rs. in '000)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
Bank Charges & Commission	988.56	1,490.15
Interest Paid to Bank - Working Capital	6,431.41	11,351.77
Interest Paid to Bank - Term Loan	21,797.78	22,313.60
Interest on Vehicle Loan	338.22	392.22
Interest to Others	1,456.39	565.89
Interest expenses on unwinding of discounts	27.01	6,050.79
Interest paid on unsecured loans	19,576.87	3,838.50
Interest on leased assets	194.40	14.72
<b>Total</b>	<b>50,810.65</b>	<b>46,017.64</b>



Notes to Consolidated Financial Statements for the year ended 31st March, 2021

Note 31 : Other Expenses

(Rs. in '000)

Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
<b>(A) Manufacturing Expenses</b>		
Analytical Charges, Chemical & Glassware Consumed	14,757.41	14,242.01
Consumable & Stores	4,680.66	6,966.47
Power & Fuel Consumed	42,397.43	40,726.56
Factory Expenses	6,248.80	6,551.74
Freight & Octroi	9,987.97	11,361.24
Loading Unloading & Packing Charges	71,762.43	82,592.12
License Fees	502.59	343.84
Job Work Charges Paid	1,456.02	3,100.59
Repair & Maintenance		
-Plant & Machinery	11,344.77	19,649.62
-Building	9,785.03	14,270.84
-Other	9,197.28	7,339.27
Security Charges	5,306.76	5,460.85
Pollution Control Expenses	60.00	60.00
	<b>1,87,487.15</b>	<b>2,12,665.15</b>
<b>(B) Selling and Distribution Expenses</b>		
Sales Promotion Expenses	2,438.43	2,160.09
Advertisement Expenses	155.97	238.51
Commission on Sale	129.00	-
CHA Charges	449.49	2,552.07
Freight & Octroi (Export & Outward)	7,644.32	8,039.85
Export Insurance	24.31	129.58
Export Expenses	-	9.05
Product Dev & Registration	448.35	4,179.85
Travelling Expenses	1,023.47	6,415.01
	<b>12,313.33</b>	<b>23,724.01</b>
<b>(C) Administrative and General Expenses</b>		
Rent Rates & Taxes	8,040.19	13,506.54
Insurance	4,760.91	2,155.62
Legal & Professional Fees	15,322.74	18,901.04
Payment to Auditors		
As auditor :		
- Statutory and Tax audit fees	600.00	600.00
In other capacity:		
- Taxation Matters	40.00	47.50
- Other matters	65.00	65.00
ROC Filing Fees	17.10	14.00
Office Expenses	592.33	192.61
Conveyance	2,972.63	3,237.10
Sundry Balances W/off	801.32	(44.97)
Printing & Stationery	660.70	1,102.12
Telephone Expenses	696.45	825.47
Postage & Courier	699.38	1,334.71
Donation	51.20	2.10
Motor Car Expenses	3,185.17	3,389.47
Electricity Charges	521.63	452.09
Membership & subscription	145.67	268.81
Other Expenses	4,661.53	569.07
Listing Fees	300.00	300.00
Loss on Sale of Fixed Assets	-	34.06
Corporate Social Responsibility Expenses	1,000.00	2,500.00
Exchange Loss	539.51	-
Expected credit losses	1,235.69	9,470.47
	<b>46,909.14</b>	<b>58,922.80</b>
<b>Total</b>	<b>2,46,709.62</b>	<b>2,95,311.96</b>

## Notes to Consolidated Financial Statements for the year ended 31st March, 2021

## 32 Income taxes

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

(Rs. in '000)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Current tax</b>		
Current year	1,952.79	-
Short Provision for Tax for earlier years	1,328.62	(360.76)
MAT Credit	(1,952.79)	-
<b>Total current tax</b>	<b>1,328.62</b>	<b>(360.76)</b>
Deferred tax		
Relating to origination and reversal of temporary difference	1,458.31	9,848.90
<b>Total deferred income tax expense/(credit)</b>	<b>1,458.31</b>	<b>9,848.90</b>
<b>Total income tax expense/(credit)</b>	<b>2,786.93</b>	<b>9,488.14</b>

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

(Rs. in '000)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit /(loss) before taxation	(837.49)	(19,672.73)
Enacted income tax rate in India	25.168%	26.00%
Tax at the enacted income tax rate	(210.78)	(5,114.91)
<b>Reconciliation line items:</b>		
Tax rate difference for subsidiary	97.34	-
Tax credit not recognised	613.29	16,552.10
Tax pertaining to Earlier Years	1,328.62	-
Others	958.46	(1,949.05)
<b>Tax expense/ (credit)</b>	<b>2,786.93</b>	<b>9,488.14</b>

## (c) The movement in deferred tax assets and liabilities during the year ended March 31, 2021 and March 31, 2020:

(Rs. in '000)

Particulars	As at April 01, 2020	Credit/ (charge) in Statement of profit and loss	As at March 31, 2021
<b>Deferred tax assets (liabilities)</b>			
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
	<b>(16,893.71)</b>	<b>(1,851.19)</b>	<b>(18,744.89)</b>

Particulars	As at April 01, 2019	Credit/ (charge) in Statement of profit and loss	As at March 31, 2020
<b>Deferred tax assets (liabilities)</b>			
On losses and unabsorbed depreciation	31,003.63	(8,063.04)	22,940.59
On Account of Depreciation	(39,028.65)	(1,643.51)	(40,672.16)
On expenses allowable on payment basis	905.66	(67.80)	837.86
	<b>(7,119.35)</b>	<b>(9,774.36)</b>	<b>(16,893.71)</b>



Notes to Consolidated Financial Statements for the year ended 31st March, 2021

**33 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.

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

(Rs. in '000)

Particulars	Defined benefit plans	
	As at March 31, 2021	As at March 31, 2020
Present value of plan liabilities	8,034.68	6,674.86
Fair value of plan assets	5,850.76	5,482.14
<b>Asset/(Liability) recognised</b>	<b>2,183.92</b>	<b>1,192.72</b>

**B. Movements in plan assets and plan liabilities**

(Rs. in '000)

Particulars	Present value of obligations	Fair Value of Plan assets
<b>As at 1st April 2020</b>	<b>6,674.86</b>	<b>5,482.14</b>
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)
<b>As at 31st March 2021</b>	<b>8,034.68</b>	<b>5,850.76</b>

Particulars	Present value of obligations	Fair Value of Plan assets
<b>As at 1st April 2019</b>	<b>5,710.75</b>	<b>3,665.83</b>
Current service cost	1,319.90	-
Past service cost	-	-
Interest Cost/Income	411.77	305.30
Return on plan assets excluding amounts included in net finance income/cost	-	80.81
Actuarial (gain)/loss arising from changes in demographic assumptions	-	-
Actuarial (gain)/loss arising from changes in financial assumptions	491.45	-
Actuarial (gain)/loss arising from experience adjustments	(630.81)	-
Employer contributions	-	1,562.69
Benefit payments	(628.19)	(132.50)
<b>As at 31st March 2020</b>	<b>6,674.86</b>	<b>5,482.14</b>

## Notes to Consolidated Financial Statements for the year ended 31st March, 2021

## C. Statement of Profit and Loss

(Rs. in '000)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Employee Benefit Expenses:</b>		
Current service cost	1,547.62	1,319.90
Interest cost/(income)	67.48	106.46
<b>Total amount recognised in Statement of Profit &amp; Loss</b>	<b>1,615.09</b>	<b>1,426.36</b>
<b>Remeasurement of the net defined benefit liability:</b>		
Return on plan assets excluding amounts included in net finance income/(cost)	(25.16)	(80.81)
Actuarial gains/(losses) arising from changes in Demographic assumptions	-	-
Actuarial gains/(losses) arising from changes in financial assumptions	39.13	491.45
Experience gains/(losses)	(236.62)	(630.81)
<b>Total amount recognised in Other Comprehensive Income</b>	<b>(222.64)</b>	<b>(220.17)</b>

## 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, 2021	As at March 31, 2020
<b>Financial Assumptions</b>		
Discount rate	6.77%	6.86%
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, 2021	As at March 31, 2020
Insurance policies	100%	100%

## F. Sensitivity

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

(Rs. in '000)

Particulars	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1.00%	7,273.17	8,943.79
Salary Escalation Rate	1.00%	8,991.42	7,220.12

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, 2021

**G. The defined benefit obligations shall mature after year end 31st March, 2021 as follows: (Rs. in '000)**

Year ending March 31, 2020	Defined benefit obligation
2022	510.62
2023	511.26
2024	1,097.76
2025	402.38
2026	307.33
Thereafter	2,634.85

The weighted average duration of the defined benefit obligation is 16.2

**34 Contingent liabilities (Rs. in '000)**

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Claims against the Company not acknowledged as debts</b>		
(i) Guarantees given by banks	4,344.00	3,344.00
(ii) liabilities that may arise in respect of disputed matters in relation to		
- Excise duty	6,317.00	6,317.00
- Income tax	-	-
(iii) Others	-	-
	<b>10,661.00</b>	<b>9,661.00</b>

**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.

**35 Commitments**

Estimated value of contracts on capital account, excluding capital advances, remaining to be executed and not provided for as on 31st March, 2021 was Rs 398 Lacs (Previous Year Rs 125 Lacs )

**36 Earning Per share**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit after tax available for equity shareholders	(3,624.42)	(29,160.87)
Weighted average number of equity shares	8,504.87	8,504.87
Nominal value of equity shares	10	10
Basic and diluted Earning Per Share	(0.43)	(3.43)

**37 Net debt reconciliations (Rs. in '000)**

Particulars	As at March 31, 2021	As at March 31, 2020
Non-Current borrowings	1,39,757.96	1,91,530.49
Current borrowings (including current maturities)	4,16,442.03	3,13,353.29
	<b>5,56,199.99</b>	<b>5,04,883.78</b>

## Notes to Consolidated Financial Statements for the year ended 31st March, 2021

(Rs. in '000)

Changes in liability arising from financing activities	For the year ended March 31, 2021
<b>Net debt as at April 01, 2020</b>	<b>5,04,883.78</b>
Cash flows	51,289.19
Unwinding of discounts on Interest free loan	27.01
Borrowing cost	-
<b>Net debt as at March 31, 2021</b>	<b>5,56,199.99</b>

**38 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:

(Rs. in '000)

Particulars	FVOCI	FVTPL	Amortised cost	Total fair value	Carrying amount
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
<b>Total</b>	-	-	<b>1,95,682.30</b>	<b>1,95,682.30</b>	<b>1,95,682.30</b>
<b>Financial liabilities</b>					
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
<b>Total</b>	-	-	<b>6,76,087.19</b>	<b>6,76,087.19</b>	<b>6,76,087.19</b>



## Notes to Consolidated Financial Statements for the year ended 31st March, 2021

As at March 31, 2020

(Rs. in '000)

Particulars	FVOCI	FVTPL	Amortised cost	Total fair value	Carrying amount
Investments	-	-	2,246.48	2,246.48	2,246.48
Trade receivables	-	-	2,30,841.96	2,30,841.96	2,30,841.96
Cash and cash equivalents	-	-	3,868.31	3,868.31	3,868.31
Other bank balances	-	-	9,094.78	9,094.78	9,094.78
Loans	-	-	6,007.26	6,007.26	6,007.26
Other financial assets	-	-	4,845.50	4,845.50	4,845.50
<b>Total</b>	-	-	<b>2,56,904.28</b>	<b>2,56,904.28</b>	<b>2,56,904.28</b>
<b>Financial liabilities</b>					
Borrowings	-	-	5,04,883.78	5,04,883.78	5,04,883.78
Trade payables	-	-	1,08,560.93	1,08,560.93	1,08,560.93
Others	-	-	92,956.40	92,956.40	92,956.40
<b>Total</b>	-	-	<b>7,06,401.11</b>	<b>7,06,401.11</b>	<b>7,06,401.11</b>

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.

**39 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 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.

## Notes to Consolidated Financial Statements for the year ended 31st March, 2021

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

(Rs. in '000)

Particulars	Carrying amount	Payable on demand	1-12 months	More than 12 months
<b>As at March 31, 2021</b>				
<b>Non-derivative liabilities</b>				
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	-
	<b>6,76,087.19</b>	<b>2,88,366.18</b>	<b>2,47,963.06</b>	<b>1,39,757.96</b>
<b>As at March 31, 2020</b>				
<b>Non-derivative liabilities</b>				
Borrowings	5,04,883.78	1,75,828.79	1,37,524.50	1,91,530.49
Trade payables	1,08,560.93	-	1,08,560.93	-
Other financial liabilities	92,956.40	-	92,956.40	-
	<b>7,06,401.11</b>	<b>1,75,828.79</b>	<b>3,39,041.83</b>	<b>1,91,530.49</b>

## (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

(Rs. in '000)

Particulars	Trade receivables	
	In Foreign Currency	In INR
As at March 31, 2021		
- USD	29.56	2,172.61
As at March 31, 2020		
- USD	126.93	10,913.67

## (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.

(Rs. in '000)

Exposure to Interest rate risk	As at March 31, 2021	As at March 31, 2020
Total borrowings	5,56,199.99	5,04,883.78
% of Borrowings out of above bearing variable rate of interest	94.76%	75.18%



Notes to Consolidated Financial Statements for the year ended 31st March, 2021

**Interest rate sensitivity**

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

(Rs. in '000)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
50 bp increase would decrease the profit before tax by	2,635.20	1,897.96
50 bp decrease would increase the profit before tax by	(2,635.20)	(1,897.96)

**(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.

(Rs. in '000)

Exposure to the Credit risks	As at March 31, 2021	As at March 31, 2020
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)		
- Trade Receivables	1,67,103.65	2,30,841.96

**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**

(Rs. in '000)

	As at March 31, 2021	As at March 31, 2020
< 180 days	1,58,104.82	2,22,759.18
> 180 days	8,998.83	8,082.78
	<b>1,67,103.65</b>	<b>2,30,841.96</b>

Movement in provisions of doubtful debts and advances - There were no Provision of doubtful debts as on March 31, 2021 and March 31, 2020.

## Notes to Consolidated Financial Statements for the year ended 31st March, 2021

## 40 (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.

(Rs. in '000)

	As at March 31, 2021	As at March 31, 2020
Total equity	3,25,436.75	3,27,950.37
Net debt (Total borrowings less cash and cash equivalents)	5,54,385.73	5,01,015.48
<b>Total capital (Borrowings and Equity)</b>	<b>8,79,822.48</b>	<b>8,28,965.85</b>
<b>Gearing ratio</b>	<b>63.01%</b>	<b>60.44%</b>

## (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.

## 41 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.

## 42 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. Pragna P. Shah Wife of Mr. Prakash M. Shah  
Mrs. Ila B. Shah, Wife of Mr. Baiju 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 Nithyasha Healthcare 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, 2021

Transactions with Related parties

(Rs. in '000)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Sale of Material</b>		
Nithyasha Healthcare Pvt. Ltd.	2,444.91	3,895.24
Naxpar Medicamentos LLP	6,498.69	4,442.26
Naxpar Pharma FZ LLC	827.90	7,028.71
<b>Purchase of Material</b>		
Nithyasha Healthcare Pvt. Ltd.	2,335.20	1,521.70
<b>Salary Paid to Key Management Personnel &amp; their Relatives</b>		
Mr. Prakash M. Shah	4,200.00	4,200.00
Mr. Baiju M. Shah	4,200.00	4,200.00
Mr. Mihir P. Shah	4,800.00	4,800.00
Mrs. Pragna P. Shah	-	240.00
Mrs. Ila B. Shah	-	240.00
Mrs. Ami M. Shah	-	600.00
Mr. Binoy Shah	4,950.00	4,800.00
<b>Interest Paid on Loan</b>		
Mrs. Ami M. Shah	5,079.41	3,838.50
Mr. Mihir P. Shah	7,592.22	-
Mr. Baiju M. Shah	6,905.23	-
<b>Rent Received</b>		
Naxpar Medicamentos LLP	180.00	212.40
<b>Rent Paid</b>		
Mr. Mihir P. Shah	198.00	198.00
Mrs. Ami M. Shah	480.00	480.00
Mrs. Niyoshi B. Shah	480.00	480.00
<b>Loan Taken</b>		
Mr. Mihir P. Shah	1,02,800.00	50,000.00
Mr. Baiju M. Shah	14,500.00	1,61,790.00
Mrs. Ami M. Shah	-	51,000.00
Mr. Prakash M. Shah	475.00	-
<b>Loan Repaid</b>		
Mr. Mihir P. Shah	17,982.78	24,135.69
Mr. Baiju M. Shah	5,213.44	88,275.00
Mrs. Ami M. Shah	150.00	-
Mr. Prakash M. Shah	-	675.00
<b>Deposit given</b>		
Mrs. Ami M. Shah	100.00	-

## Notes to Consolidated Financial Statements for the year ended 31st March, 2021

Balances as at

(Rs. in '000)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Salary Payable</b>		
Mr. Prakash M. Shah	217.67	90.17
Mr. Baiju M. Shah	480.58	-
Mr. Mihir P. Shah	8.67	80.01
Mr. Binoy Shah	1,448.94	737.92
<b>Unsecured loan from KMP</b>		
Mr. Prakash M. Shah	11,701.75	11,226.75
Mr. Baiju M. Shah	99,956.98	84,283.08
Mrs. Ami M. Shah	59,003.11	54,454.65
Mr. Mihir P. Shah	1,17,704.34	25,864.31
<b>Unsecured Loan from concern in which KMP and/or Relatives of KMP is interested</b>		
Novomed Pharma Pvt. Ltd.	338.00	338.00
<b>Receivable from Concern in which KMP and/or Relatives of KMP is interested</b>		
Nithyasha Healthcare Pvt. Ltd.	1,528.31	1,210.17
Naxpar Medicamentos LLP	2,906.76	4,087.06
Naxpar Pharma FZ LLC	841.64	1,985.46
<b>Deposit received from concern in which KMP and/or Relatives of KMP is interested</b>		
Naxpar Medicamentos LLP	30.00	30.00
<b>Payable to Key Management Personnel &amp; their Relatives</b>		
Mr. Mihir P. Shah	148.50	-
Mr. Baiju M. Shah	358.00	65.37
Mrs. Niyoshi B. Shah	442.00	14.20
<b>Deposit with Key Management Personnel &amp; their Relatives</b>		
Mrs. Ami M. Shah	300.00	200.00
Mrs. Niyoshi B. Shah	200.00	200.00



## Notes to Consolidated Financial Statements for the year ended 31st March, 2021

## 43 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, 2021	As at March 31, 2020
<b>Right-of-use assets</b>		
Land	32,594.46	7,376.81
<b>Total</b>	<b>32,594.46</b>	<b>7,376.81</b>
<b>Leases Liabilities</b>		
Current	1,263.74	191.49
Non Current	31,552.96	7,199.54
<b>Total</b>	<b>32,816.70</b>	<b>7,391.03</b>

**Maturity analysis of lease liabilities**

	As at March 31, 2021	As at March 31, 2020
Within one year	1,263.74	191.49
Later than one year but within five years	4,307.33	781.23
Later than five year	27,245.63	6,418.31
<b>Total</b>	<b>32,816.70</b>	<b>7,391.03</b>

**(ii) Amounts recognised in the Statement of Profit & Loss**

	Note No.	As at March 31, 2021	As at March 31, 2020
Depreciation charge of right of use assets		1,172.34	61.99
Interest expense on lease liabilities (included in finance cost)	30	194.40	14.72
Expense relating to short term and low value leases (included in other expense)	31	7,696.81	12,742.47

**(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.



**Notes to Consolidated Financial Statements for the year ended 31st March, 2021****44 Note on Corporate Social Responsibility**

Gross amount required to be spent by the Company during the year was Rs. 6,08,783/- (previous year Rs. 10,85,895/-) as per Section 135 of the Companies Act, 2013.

**Amount spent during the year on:**

	As at March 31, 2021	As at March 31, 2020
i. Construction / acquisition of any asset	-	-
ii. On the purpose other than above		
- in cash	1,000.00	2,500.00
<b>Total</b>	<b>1,000.00</b>	<b>2,500.00</b>

45 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.

46 For disclosures mandated by Schedule III of Companies Act, 2013, by way of additional information

Particulars	Parent Company	Subsidiary	Total
<b>Net assets i.e. total assets - total liabilities</b>			
Amount	47,139.55	2,79,063.97	3,26,203.51
As a % of Consolidated net assets	14.45%	85.55%	100.00%
<b>Share in Profit &amp; Loss</b>			
Amount	(11,323.18)	7,698.76	(3,624.42)
As a % of Consolidated Profit & loss	312.41%	-212.41%	100.00%
<b>Share in Other Comprehensive Income</b>			
Amount	229.19	898.80	1,127.99
As a % of Consolidated other comprehensive income	20.32%	79.68%	100.00%
<b>Share in Total Comprehensive Income</b>			
Amount	(11,093.99)	8,597.56	(2,496.43)
As a % of total Comprehensive income	444.39%	-344.39%	100.00%

47 The consolidated financial statements were approved for issue by the Board of Directors on June 30, 2021.

48 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

**As per our report of even date**

**For Ladha Singhal and Associates**  
Chartered Accountants  
Firm's Registration No : 120241W

Sd/-  
(Vinod Ladha)  
Partner  
M. No. 104151  
Place : Mumbai  
Date : 30<sup>th</sup> June, 2021

**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





**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: \_\_\_\_\_

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# **Parnax Lab Limited**

**Regd office:** 114, Bldg no. 8, Jogani Industrial Complex,  
Chunabhatti, Mumbai - 400022