



**KIMIA**

chemistry of well being

**29th Annual Report  
Financial Year 2021-22**

# Corporate Information

## Board of Directors:

### Mr. Sameer Goel

Chairman & Managing Director

### Mr. Jagdeep Dhawan

Independent Director

### Mrs. Richa Gupta

Independent Director

### Mr. Vipul Goel

Director

## Key Managerial Personnel:

### Mr. Sameer Goel

Chief Executive Officer

### Mr. Lakshay Prakash

Company Secretary & Compliance Officer

## Audit Committee:

Mr. Jagdeep Dhawan	Chairman
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Mr. Sameer Goel	Member
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Mrs. Richa Gupta	Member
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## Registrar & Share Transfer Agent:

Beetal Financial & Computer Services (P) Limited

Beetal House, 3<sup>rd</sup> Floor, 99 Madangir, New Delhi – 110062

## Registered Office:

Vill. Bhondsi, Tehsil Sohna Distt.

Gurugram – 122012, Haryana

E-mail: [compliance.kimia@gmail.com](mailto:compliance.kimia@gmail.com)

## Statutory Auditors:

M/s Singhi & Co.

Chartered Accountants

(FRN: 302049E)

## Secretarial Auditors:

M/s Rahul Chaudhary & Associates

Company Secretaries

New Delhi

## Cost Auditors:

M/s Mahesh Singh & Co,

Cost Accountants(FRN:100441)

## Listed with Stock Exchange:

BSE Limited

1<sup>st</sup> Floor, Rotunda Building, PJ Towers, Dalal Street,

Mumbai – 400001

## Nomination & Remuneration Committee

Mr. Jagdeep Dhawan	Chairman
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Mr. Vipul Goel	Member
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Mrs. Richa Gupta	Member
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## Banker:

HDFC Bank Limited

## Corporate Office:

974, 9<sup>th</sup> Floor, Aggarwal Millenium Tower-II, Netaji Subhash Place, Pitampura, New Delhi – 110034

## CHAIRMAN PERSPECTIVE

Dear Shareholders,

The financial year 2021-22 began on a subdued note owing to repeated attacks of the pandemic, taking a severe toll on lives and economies. As the world navigated through the pandemic, the escalation of geopolitical strife compounded the crisis and brought numerous other challenges in the form of strained geopolitical and trade relations, a runaway inflation and unprecedented volatility in commodity costs. In the face of such flux, the industry showed resilience and adaptability, ensuring continuous supply of medicines to help patients gain access to their medication.

The pandemic has accelerated significant change in the healthcare ecosystem, making it more adaptable and innovative in order to withstand unexpected challenges and capitalise on the opportunities. In this uncertain operating environment, our focus remained on the health and safety of our people, ensuring uninterrupted supply of our products to meet the evolving demand of our customers and our business needs. This has strongly positioned us as a reliable supplier to the global pharmaceutical companies.

At Kimia we remain committed to becoming one of the most sustainable organisations in the pharmaceutical industry. We are diligently working towards the goals set for reducing carbon emissions, replacing traditional fuel sources with renewable energy, mindful management of water and waste and conservation of biodiversity.

### Shifting Gears, Realigning Priorities

Two challenging years, back-to-back, have helped us to put our priorities into perspective. We will be shifting gears and realigning our business over the near- to medium-term – continuing with some of our focus areas and reducing dependence on the rest. Our strong background in generic formulations has created an overdependence on raw material procurement, input prices and logistical performance – all of which are factors beyond our control. Unpredictability in any of these dimensions can potentially corrode overall growth. We are keen to moderate this impact over time.

We will continue to drive our API business where we envisage strong growth and healthy margins, and a working model that premiumizes value addition. Closer home, we have been working consistently on the opportunities unleashed by the government's Production Linked Incentive (PLI) scheme with the penicillin and allied areas throwing up some very attractive prospects. The supply chain difficulties faced this year with sourcing from China only underlines the importance of having a diversified sourcing base and for import substitution.

### Future focused – Agile, consistent and reliable

As we enter a new financial year, we are better prepared to handle the evolving demand, continuous market volatility and an uncertain economic environment. At Kimia, we aim to exceed the internal benchmark so that we can consistently deliver value to our customers, and also perform as a dependable supplier. Our focus will remain on Continuous process innovation and Green chemistry implementation to further establish Kimia as a strong sustainable organisation and deliver value added performance. I would like to take this opportunity and thank our employees for their consistent effort to deliver the best results despite the challenges. I thank all the stakeholders for reposing their trust in us. We will continue to strive for leadership through chemistry and be the most reliable supplier of high-quality API's while creating value for all our stake holders.

*"I would like to thank everyone at Kimia for their unwavering commitment in response to Covid-19 pandemic and serve our customers through these challenging times. The resilience of our business model will enable us to emerge stronger and ensure reliability in an ever-changing dynamic world."*

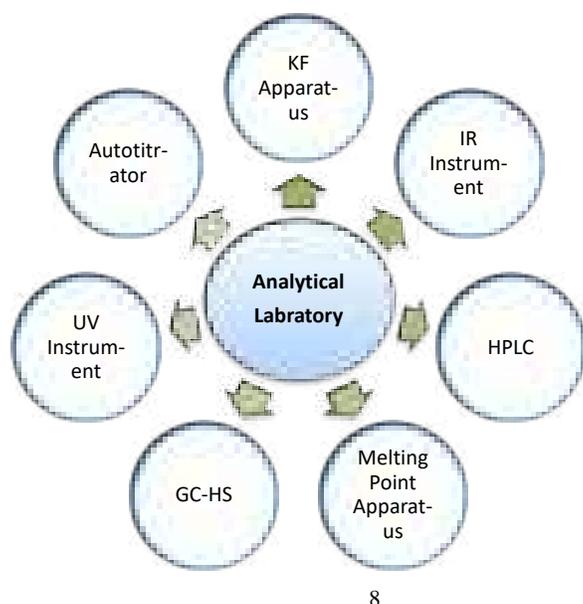
Mr. Sameer Goel  
Chairman & Managing Director

# R&D And Growth

*The objective of R&D program is to research and develop new improved drugs with the goal of addressing unmet patient needs with more meticulous resources and to establish a robust portfolio for a new generation of treatments. Kimia is committed to do significant investments in drug research and development in order to produce effective, safe and affordable medicines.*

*The team at R&D involves people with high skills and expertise having versatile Pharmaceutical exposures and are determined to make Kimia R&D as an advance Centre for Research.*

*The Research & Development Centre, having state of Art Facility with modern & well equipped machinery is approved by Department of Scientific and Industrial Research (DSIR) vide Registration No. TU/IV-RD/4410/2018 dated 22/01/2019.*



*R&D at Kimia has evolved much stronger and larger with increased infrastructure during the year 2021-2022 and has forged ahead in development of innovative technologies, cost improvements in existing products & indigenous development of key Raw materials.*

*The R&D strength has increased significantly to more than 60 scientists and has commercialized more than 25 products while 9-10 molecules are under development which+63 is to be to be commercialized in next 6-12 months.*

*The under development molecules includes among others, APIXABAN, EMPAGLIFLOZIN, GLIMEPIRIDE, LINAGLIPTIN, MIRABEGRON, MONTELUKAST SODIUM, PHENYLEPHRINE.HCl, TICAGRELOR, VORTIOXETINE HBr and some of the key raw materials*

*which are currently being imported from other countries outside India so as to avoid dependency on them and save foreign exchange.*

*Another area of advancement is induction of Intellectual property team at the R&D in addition to already existing Chemical Research development, Analytical development, and Regulatory and Quality assurance teams making a complete set of teams needed to run the R&D Centre. The Intellectual property team has filed 6 patents and few more under process of filing for Kimia Biosciences Limited.*

<b>CONTENTS</b>		
<b>S. No.</b>	<b>Particulars</b>	<b>Page No.</b>
1.	Notice of Annual General Meeting	<b>6-12</b>
2.	Board's Report	<b>13-23</b>
3.	Annexures to Board's Report	
	Annexure I - Management Discussion and analysis report	<b>24-28</b>
	Annexure II - Secretarial Audit Report	<b>29-31</b>
	Annexure III- Certificate of CEO	<b>32</b>
	Annexure IV - Declaration of Chief Executive Officer	<b>33</b>
	Annexure V- Particulars of Remuneration	<b>34</b>
	Annexure V-A – Particulars of Employees	<b>35</b>
	Annexure VI- Certificate Of Non-Disqualification Of Directors	<b>36</b>
	Annexure VII-Corporate Governance Report	<b>37-44</b>
	Annexure VIII- Certificate by PCS regarding Corporate Governance Report	<b>45</b>
	Annexure IX- Related party Transactions (Form AOC-2)	<b>46</b>
	Annexure- X Annexure on Corporate social Responsibility	<b>47-48</b>
4.	Independent Auditor's Report	<b>49-56</b>
5.	Standalone Financial Statements	<b>57-59</b>
6.	Notes to Financial Statements	<b>60-100</b>

## **NOTICE OF THE 29TH (TWENTY NINETH) ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT** the Twenty Ninth (29th) Annual General Meeting of Members of Kimia Biosciences Limited will be held on Friday, the 30th September, 2022 at 03:30 PM (IST) through video conferencing or other audio visual means ("VC/OAVM") to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements for the year ended 31<sup>st</sup> March 2022, along with the Reports of the Directors' and Auditors' thereon.
2. To appoint a director in place of Mr. Sameer Goel (DIN: 00161786), Director, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint M/s Singhi & Co. Chartered Accountants as Statutory Auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of the Thirty Fourth Annual General Meeting and fix their remuneration.

**"RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force) and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time for appointment of statutory auditors, M/s Singhi & Co. Chartered Accountants who have confirmed their eligibility for appointment of Statutory Auditors in terms of Section 141 of the Companies Act, 2013 and applicable Rules be and are hereby appointed as Statutory Auditors of the Company to hold office for a period of 5 years from the conclusion of the twenty ninth Annual General Meeting of the Company till the conclusion of the thirty fourth Annual General Meeting, to examine and audit the accounts of the Company on such remuneration as may be approved by the Audit Committee and /or Board of Directors of the Company in addition to applicable taxes and reimbursements of out of pocket expenses incurred by them.

**RESOLVED FURTHER THAT** the Board of Directors or Audit Committee thereof, be and are hereby severally authorized to decide and finalize the terms and conditions of appointment, including the remuneration of Statutory Auditors.

### **SPECIAL BUSINESS:**

4. **To approve the remuneration of the Cost Auditors for the financial year ending 31st March, 2023.**

To consider and, if thought fit, to give your assent or dissent to the following resolution as **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to provisions of Section 148 and other applicable provisions, if any, of Companies Act, 2013 (the "Act") and the Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force] and pursuant to recommendation of Audit Committee, the remuneration payable to M/S Mahesh Singh & Co., Cost Accountants having Firm Registration Number 100441, appointed by the Board of Directors of the Company as Cost Auditors to conduct audit of the cost records of the Company for the financial year ending March 31, 2023, amounting to Rs. 40,000/- (Rupees Forty Thousand only) plus out of pocket expenses that may be incurred during the course of audit be and is here by approved and ratified.

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

**By the Order of the Board of Directors  
For Kimia Biosciences Limited**

**Sd/-  
Sameer Goel  
(Chairman & Managing Director)  
(DIN: 00161786)**

**Place: New Delhi**

**Date: 05.09.2022**

#### Notes:

1. The Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 (“the Act”) read with Rule 22 of the Companies (Management and Administration) Rules, 2014 (“the Rules”), as amended, setting out the material facts concerning the said Resolutions and the reasons thereof is annexed hereto and forms part of this Notice (“Notice”).
2. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and MCA Circular No. 02/2022 dated May 05, 2022 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
3. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
4. The Members can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
7. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.kimiabiosciences.com](http://www.kimiabiosciences.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsd.com](http://www.evoting.nsd.com).
8. AGM is being convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021 and MCA General Circular No. 2/2022 dated May 05, 2022
9. The Board of Directors of the Company has appointed M/s Rahul Chaudhary & Associates, a Practising Company Secretaries as Scrutiniser to scrutinise the e-voting and remote voting in a fair and transparent for the 29th AGM of the Company.

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

The remote e-voting period begins on **27<sup>th</sup> September, 2022** at 9:00 A.M. (IST) and ends on **29<sup>th</sup>, September, 2022** at 5:00 P.M.(IST) The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. **September 23, 2022**, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being **September 23, 2022**.

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

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

### Step 1: Access to NSDL e-Voting system

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

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

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

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

Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

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

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

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

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

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

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

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

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

## **Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

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

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

### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [gr2advisory@gmail.com](mailto:gr2advisory@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or Ms. Sarita Mote, Assistant Manager, NSDL at designated email ID [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) who will address the grievances related to electronic voting.

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [compliance.kimia@gmail.com](mailto:compliance.kimia@gmail.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [compliance.kimia@gmail.com](mailto:compliance.kimia@gmail.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. [Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode](#).
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.

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

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

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

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of “VC/OAVM link” placed under “**Join General meeting**” menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number [compliance.kimia@gmail.com](mailto:compliance.kimia@gmail.com). The same will be replied by the company suitably.
6. Members who need assistance before or during the AGM, can contact NSDL on [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) / 1800-222-990
7. The Ministry of Corporate Affairs has undertaken a “Green Initiative in Corporate Governance” and allowed companies to share documents with its shareholders through an electronic mode. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020 read with circular dated 15.01.2021, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the company / Depositories. Members may note that the Notice and Annual Report 2020-21 will also be available on the company’s website [www.kimiabiosciences.com](http://www.kimiabiosciences.com), and websites of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and Members are requested to support this Green Initiative by registering/updating their email addresses for receiving electronic communications.
8. The Company has appointed M/s Beetal Financial and Computer Services Private Limited, Delhi as the Registrar and Share Transfer Agents. Members are requested to register/update/notify immediately about any change in their address/e-mail address /bank details to their Depository Participant (DP) in respect of their shareholding in Demat mode and in respect of their physical shareholding to M/s Beetal Financial and Computer Services Private Limited, Beetal House, 3rd Floor, 99 Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, Delhi 110062 either physically or by sending mail on [beetalrta@gmail.com](mailto:beetalrta@gmail.com).
9. Members can inspect the register of directors and key managerial personnel and their shareholding, required to be maintained under section 170 of the Companies Act, 2013 and register of contracts or arrangements in which the directors are interested, to be maintained under section 189 of the Companies Act, 2013 on website of the company during the course of the meeting.

10. Members who still holding shares in physical form are advised to Dematerialize their shareholding to avail of the benefits of dematerialization which include easy liquidity since trading is permitted only in dematerialized form, electronic transfer, savings in stamp duty, prevention of forgery, etc.
11. Members desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Act are requested to write to the Company's RTA.
12. Subject to receipt of requisite number of votes, the resolution(s) at item no. 1 to 4 in Notice of AGM shall be deemed to be passed at the 29th Annual General Meeting of the Company scheduled to be held on Friday, 30th September, 2022.
13. The Company has decided to close the Register of Members and the Share Transfer Register on September 24, 2022 up to September 30, 2022, in terms of the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Cut-off date to record the entitlement of shareholders for the purpose of e-voting is September 23, 2022.
14. SEBI has mandated 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 Participant with whom they are maintaining their Demat accounts and members holding shares in physical form to the Company/ RTA.
15. Members, who have not registered their e-mail addresses so far, are requested to register their email address with the Company/ Depository Participant for receiving all communication including Annual Report, Notices, and Circulars etc. from the Company electronically.
16. The result, along with the Scrutinizer's Report, will be announced on or before Saturday, 1st October 2022 and placed on the website of the Company and NSDL and shall be communicated to BSE Limited.

**EXPLANATORY STATEMENTS IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO THE PROVISIONS OF SECTION 102 OF COMPANIES ACT, 2013**

**Item No. 4**

The Company is required under Section 148 of the Companies Act, 2013 (Act) read with Companies (Cost Records and Audit) Amendment Rules, 2016 to have the audit of its cost records conducted by a Cost Accountant in practice. The Board of Directors of the Company, on the recommendation of the Audit Committee, has approved the re-appointment of M/s Mahesh Singh & Co., Cost Accountants (Firm's Registration No. 100441) to conduct audit of cost records of the Company for products covered under the Companies (Cost Records and Audit) Amendment Rules, 2016 for the financial year ending on 31st March, 2023, at a remuneration of Rs. 40,000/- (Rupees Forty Thousand only) plus reimbursement of out-of-pocket expenses.

In accordance with the provisions of Section 148 of the Act read with the said Rules, the remuneration payable to the Cost Auditors as recommended by the Audit Committee and approved by the Board of Directors has to be ratified by the Members of the Company.

The Board is of the opinion that of above transactions shall be in best interest of the company. None of the Directors, Key Managerial Personnel of the company and their relatives, are in any way concerned or interested in the said Resolution.

The Board of Directors recommends the **Ordinary resolution** set out at Item No. 4 of the Notice for approval by the Members.

**By the Order of the Board of Directors  
For Kimia Biosciences Limited  
SD/-  
Sameer Goel  
(Chairman & Managing Director)**

**Date: 05.09.2022  
Place: New Delhi**



# BOARD'S REPORT

FINANCIAL YEAR 2021-22

## BOARD'S REPORT

Dear Shareholders,  
Kimia Biosciences Limited

The Directors have the pleasure of presenting the Twenty Ninth (29<sup>th</sup>) Annual Report together with the Audited Financial Statement and Auditor's Report of your Company for the year ended 31<sup>st</sup> March, 2022.

### FINANCIAL OUTLOOK

#### FINANCIAL HIGHLIGHTS

(Rupees in Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Net Sales/ Income from operation	12490.09	13271.38
Total Income	12583.31	13517.00
Expenses	13085.13	12963.56
Profit before Tax	(501.82)	553.44
Less: Tax Expenses	(131.52)	43.00
Profit After Tax	(370.30)	510.44
Other comprehensive income for the year	15.50	(3.99)
Total Comprehensive income for the year	(354.81)	506.45
Earnings per Share (Basic)	(0.78)	1.08
Earnings per Share (Diluted)	(0.78)	1.08

#### CHANGE IN ACCOUNTING TREATMENT

There has been no change in the accounting policies during the period under review.

#### SHARE CAPITAL

The Share Capital structure of the company is as follows:

**i. Authorized share capital:**

Particulars	Amount (Rs.)
Equity Shares 7,73,31,680 of face value of Re. 1/- each	7,73,31,680
Compulsory Convertible Preference Share 65,18,320 of Re. 1/-each	65,18,320
0.1% Redeemable Non-Convertible Cumulative Preference Share 80,00,000 of Rs. 10/-each	80,000,000
Total Authorized Share Capital	163,850,000

**ii. Issued, Subscribed and Paid-up Share capital**

Particulars	Amount (Rs.)
4,73,12,741 Equity Shares of Re. 1/- each	4,73,12,741
80,00,000 , 0.1% Redeemable Non-Convertible Cumulative Preference Share of Rs. 10/- each	80,000,000
Total Paid-up Share Capital	12,73,12,741

- As at the end of the financial year, the issued, subscribed paid-up share capital remains as above.
- Each preference share holder is eligible for equal amount of dividend, in case dividend is declared by the company on other class of shares. Preference shares shall rank senior to all present and future preference shares and/ or equity shares issued by the Company. 40,00,000 Preference shares shall be redeemed at the option of the Company, at any time within a period not exceeding ten years from the date of allotment on 17.05.2016 and 40,00,000 Preference shares shall be redeemed at the option of the Company, at any time within a period not exceeding ten years from the date of allotment on 07.10.2019 under the provisions of the Companies Act, 2013 and Rules made thereunder.

#### HOLDING, SUBSIDIARY, ASSOCIATE COMPANIES

During the period under review company has no subsidiary, holding or Associate company.

## DIVIDEND

Due to some unforeseen events, the Company has incurred losses during the Financial year of Rs. 354.81/-.

Hence, the Directors of the Company didn't recommend any dividend during the financial year under review.

Further, there were no amounts of unclaimed dividend to be transferred to Investor Education & Protection Fund (IEPF) as per the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

## TRANSFER TO RESERVES

The Company has incurred losses during the Financial year Rs. 354.81/-. Hence, no amount has been transferred or proposed to be transferred to any other reserves.

## PUBLIC DEPOSITS

Your Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

## LOANS, GUARANTEES AND INVESTMENTS

In compliance with provisions of Section 134 (3) (g) of the Act, particulars of loans, guarantees, investments and securities given under Section 186 of the Act are given in the notes to the Financial Statements forming part of this Annual Report.

## BUSINESS OUTLOOK

### STATE OF COMPANY'S AFFAIRS

The company has achieved turnover of Rs. 12490.09 Lakhs during the financial year.

The Company has been consistently practicing prudent finance and working capital management. The strong focus on working capital and liquidity management has helped timely generation of sufficient internal cash flow to invest in long term strategic objectives of the Company.

The Company has revamped its Plant in accordance with Good Manufacturing Practice (GMP) Standards for pharmaceutical productions in past & got certification from State FDA, Haryana and continuously upgrading it to meet the international regulatory requirements.

- **Relevance of such license to the listed entity-** The Company shall initiate the process of manufacturing final product bulk drugs – Active Pharmaceutical Ingredients (APIs) and can market its products overseas markets covering WHO certifications.
- The Company has Research & Development (R&D) at its plant located at Village Bhondsi, Tehsil Sohna, Distt. Gurgaon, Haryana-122102.

The Company has planned capital expenditure to the tune of approx. 5-6 crores during Financial Year 2022-23 for providing and upgrading facilities such as new equipments, Clean rooms (Powder processing units), separate quality and upgrading of utilities to meet with enhanced manufacturing. The ongoing expenditure is to aim at achieving the vision of the company for enhancement of capacities and expand the export market globally.

### CHANGE IN NATURE OF BUSINESS

There has been no change in nature of business activity of the Company.

### SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS

No significant and material orders were passed during the period under review.

## GOVERNANCE OUTLOOK

### CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance aims to ensure establishing and practicing a sound system of good corporate governance which will not only meet Company's objectives but will render assistance to the management in managing the company's business in an ethical, compliant, efficient and transparent manner for achieving the corporate objectives so as to provide services to the utmost satisfaction of the customer and to conduct business in a manner which adds value to the Company's brand and all its stakeholders like shareholders, employees, customers, suppliers, vendors etc. The Corporate Governance report as per Schedule V of SEBI (listing obligations and Disclosure Requirements) 2015 is annexed as **Annexure-VII**.

## INTERNAL FINANCIAL CONTROLS

The internal financial controls with reference to the Financial Statements commensurate with the size and nature of business of the Company. Your Company continuously invests in strengthening the internal control processes and systems. The internal control process and systems provide a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes, safeguarding of assets of the Company and ensuring compliance with corporate policies. Procedures to ensure conformance with the policies, processes and standards have been put in place covering all activities.

Implementations of recommendations from various audit reports are regularly monitored by the senior management. Internal and statutory audit reports and findings, including comments by the management, if any, are periodically placed before the Audit Committee of the Board of Directors.

## DEPOSITORY SYSTEM

The Company has entered into an agreement with the National Securities Depository Limited (NSDL) as well as the Central Depository Services (India) Limited (CDSL) to enable shareholders to hold shares in dematerialized form. The Company also offers simultaneous dematerialization of the physical shares lodged for transfer.

The ISIN of the Equity Shares is INE285U01025.

## LISTING

The Equity Shares of your Company are listed on BSE Limited having Scrip Code 530313.

The Company has timely paid the Annual Listing Fees to BSE Limited for the financial year ended on 31<sup>st</sup> March 2022.

## BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, there was no change in the Directorship of the Company took place.

The Composition of Board of Directors is as follows:-

S.NO.	NAME OF DIRECTOR	DESIGNATION	DIN
1	Vipul Goel	Director (Non Executive)	00064274
2	Sameer Goel	Managing Director	00064274
3	Jagdeep Dhawan	Independent Director (Non Executive)	00778235
4	Richa Gupta	Independent Director (Non Executive)	07481646

There were some changes took place in the Key Managerial personnel's of the Company during the year under review:-

S.NO.	NAME OF KMP	DESIGNATION	APPOINTMENT/RESIGNATION	DATE
1	Sanjay Gupta	Chief Financial Officer	Resignation	31.10.2021
2	Abhishek Pandey	Company Secretary & Compliance Officer	Resignation	26.11.2021
3	Suneel Kapur	Chief Executive Officer	Appointment	29.03.2022

After the closure of financial year, the following important events/ actions having bearing on the company affairs in pursuance of the above referred laws, rules, regulation, guidelines and standard were taken:

- Appointment of Ms. Arti as Chief Financial Officer of the Company with effect from April 28, 2022.
- Appointment of Mr. Lakshay Prakash, as Company Secretary & Compliance Officer of the Company with effect from May 16, 2022.
- Resignation of Mr. Suneel Kapur as Chief Executive officer of the Company with effect from May 22, 2022.
- Appointment of Mr. Sameer Goel as Chief Executive officer of the Company with effect from May 30, 2022.
- Resignation of Ms. Arti as Chief Financial Officer of the Company with effect from August 12, 2022.

The Board of Directors ("Board") comprises of optimum number of Executive, Non-Executive, and Independent Directors as required under applicable legislations. As on date of this Report, the Board consists of four (4) Directors comprising one (1) Executive Managing Director and one (1) Non-Executive Director and two (2) Independent Directors including one (1) Independent Woman Director as required under Section 149 of the Companies Act, 2013 & rules made thereunder and Regulation 17 of the Listing Regulations.

## BOARD MEETINGS

During the year, Ten (10) Board Meetings were held on 04.06.2021, 22.06.2021, 12.08.2021, 28.08.2021, 14.09.2021, 21.10.2021, 11.11.2021, 06.01.2022, 14.02.2022 and 29.03.2022.

Name of Director	Designation/ Category	Number of other directorship held	Number of other Board Committees of which member/ chairperson	Number of Board Meetings held during the tenure	Board Meetings attended	Attendance at the last AGM
Mr. Sameer Goel	Chairman & Managing Director & Chief Executive Officer	5	NIL	10	10	Yes
Mr. Jagdeep Dhawan	Independent Director	2	NIL	10	10	Yes
Mrs. Richa Gupta	Independent Director	NIL	NIL	10	10	Yes
Mr. Vipul Goel	Director	5	NIL	10	10	Yes

## DECLARATION OF INDEPENDENCE

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and SEBI Listing Regulations 2015.

## COMMITTEES OF BOARD

### AUDIT COMMITTEE

The constitution of the Committee is in compliance with the provisions of Section 177 of the Companies Act, 2013. During the year under review, Eight (8) meetings of the Audit Committee were held on 04.06.2021, 22.06.2021, 12.08.2021, 28.08.2021, 14.09.2021, 21.10.2021, 11.11.2021 and 14.02.2022.

The composition of the Committee is given in the table below:

Name & Designation	Designation	Category of Directorship
Mr. Jagdeep Dhawan	Chairman	Independent Director
Mrs. Richa Gupta	Member	Independent Director
Mr. Sameer Goel	Member	Managing Director

The Chairman of the Committee attended the last AGM of the Company. The Company Secretary acted as the Secretary to the Committee. The Statutory Auditors, Internal Auditors, Secretarial Auditors and other related functional executives of the Company also attended the meeting when required. Further, the Board has accepted all the recommendation of Audit Committee during the period.

### NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee recommends the appointment of Directors and remuneration of such Directors other than Independent Directors. During the year under review, five meetings of the Committee were held on 04.06.2021, 12.08.2021, 28.08.2021, 14.09.2021 and 21.10.2021.

The composition of the Committee is given below:

Name & Designation	Designation	Category of Directorship
Mr. Jagdeep Dhawan	Chairman	Independent Director
Mrs. Richa Gupta	Member	Independent Director
Mr. Vipul Goel	Member	Director

The Company Secretary is the Secretary of the Committee.

### NOMINATION AND REMUNERATION POLICY

In compliance with Section 178(3) of the Act, the Board framed a "Nomination, Remuneration and Evaluation Policy" on director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director. Your Directors ensures that the Company follows a Policy on

Remuneration of Directors and Senior Management Employees. The main objective of the said policy is to ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate the Directors, KMP and Senior Management employees.

The policy of the Company on Director's appointment and remuneration is uploaded on to the Company's website and the same is available at [www.kimiabiosciences.com](https://www.kimiabiosciences.com) at the following path: <https://www.kimiabiosciences.com/wp-content/uploads/2020/10/1567424605Nomination-and-Remuneration-Policy.pdf>.

### STAKEHOLDERS RELATIONSHIP COMMITTEE

The Securities Transfer & Stakeholders Relationship Committee considers and oversees resolution of grievances of security holders and investors of the Company.

During the year, the Committee met Three (3) times on 06.04.2021, 17.06.2021 and 20.07.2021. Company effectuated all requests for transfer of shares, consolidation and issue of duplicate share certificate, within prescribed time limits.

The composition of the Committee is given in the table below:

Name & Designation	Designation	Category of Directorship
Mr. Jagdeep Dhawan	Chairman	Independent Director
Mrs. Richa Gupta	Member	Independent Director
Mr. Vipul Goel	Member	Non- Executive Director

The Company Secretary is a Secretary of the Committee.

### VIGIL MECHANISM/WHISTLE-BLOWER POLICY

In compliance with the provisions of Section 177(9) & (10) of the Act, read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules 2014 and Regulation 22 of Listing Regulations, Company formulated a vigil Mechanism for Directors and employees to report concerns including any unethical behavior, actual or suspected frauds taking place in the Company for appropriate action thereon.

The Whistleblower policy has been hosted on Company's website viz. [www.kimiabiosciences.com](http://www.kimiabiosciences.com).

### RISK MANAGEMENT POLICY

The Company has developed and implemented the Risk Management Policy and the Audit Committee of the Company reviewed the same periodically. The Company recognizes that risk is an integral and unavoidable component of business and hence is committed to managing the risk in a proactive and effective manner. The

Company's Management systems, organizational structures, processes, standards, code of conduct and behaviors together form the Risk Management System of the Company and are managed accordingly.

The common risks faced by the Company include Raw Material Procurement Risk, Environment & Safety Risk, Market Risk, Technology risk, Business Operational Risk, Reputation Risk, Regulatory & Compliance Risk, Human Resource Risk Working Capital and Business continuity Risk. Your Company has well defined processes and systems to identify, assess & mitigate the key risks. A platform for exception reporting of violations is in place which is reviewed regularly and remedial measures are being undertaken immediately.

### BOARD EVALUATION

In compliance with the provisions of Section 134(3)(p) of the Act read with Rule 8(4) of the Companies (Accounts) Rules, 2014, the Board carried out annual evaluation of its own performance, that of its Committees and individual directors.

The performance of the Board and its committees and individual directors were evaluated by the Board after seeking inputs from all the Directors on the basis of criteria, such as composition and structure of the Board, quality of deliberations, effectiveness of the procedures adopted by the Board, participation of the Board and committee meetings and governance reviews etc.

### FAMILIARIZATION PROGRAMME OF INDEPENDENT DIRECTORS-

The Independent Directors of the Company have been updated with their roles, rights and responsibilities in the company to enable them to familiarize with Company's procedures and practices.

The Company endeavors to familiarize the Independent Directors with the strategy, operations and functioning of the Company and also with changes in the regulatory environment having significant impact on the operations of company and the Pharmaceutical Industry as a whole.

### RELATED PARTY TRANSACTIONS

All the related party transactions entered into by the Company during the year were on arm's length basis and in the ordinary course of business. Summarized particulars of contracts or arrangements entered into by the company with related parties are disclosed in Notes to Financial Statements for the year.

All related party transactions were placed before the Audit committee and has been reviewed and approved by the board of Directors. The policy on Related Party Transactions, as approved by the Board of Directors has been uploaded on the website of the Company [www.kimiabiosciences.com](http://www.kimiabiosciences.com).

The particulars of contracts or arrangements with Related Parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 is prepared in **Form No. AOC-2** pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 and is in **Annexure-IX** to this Report.

### DIRECTOR'S RESPONSIBILITY STATEMENT

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

- a) That in preparation of the Annual Accounts for the year ended March 31, 2022, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- b) That the directors had selected such accounting policies and applied consistently and made judgments and estimates that were reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year ended March 31, 2022 and the profits of the Company for the year under review;
- c) That proper and sufficient care has been taken for the maintenance of adequate accounting records for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) That the annual accounts for the year ended March 31, 2022, have been prepared on a 'going concern basis.'
- e) That proper internal financial control was in place and that such internal financial controls are adequate and were operating effectively.
- f) That proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

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

Your Company strongly believes in providing a safe and harassment free workplace for each and every individual working for the Company through various interventions and practices. It is the continuous endeavour of the Management of the Company to create and provide an environment to all its employees that is free from discrimination and harassment including sexual harassment. The Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. The Company has arranged various interactive awareness workshops in this regard for the employees at the manufacturing sites, R & D set ups & corporate office during the year under review.

The Policies on Code of Conduct and Prevention of Workplace Harassment is displayed on company's website viz. [www.kimiabiosciences.com](http://www.kimiabiosciences.com). Your Directors state that during the year under review, no cases were filed pursuant to the Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013. Your Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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

The disclosures to be made under sub-section (3) (m) of Section 134 of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 by your Company are explained as under:

(A) CONSERVATION OF ENERGY-	
(i) the steps taken or impact on conservation of energy	The Company has pharmaceutical manufacturing unit for Bulk Drug Intermediates, APIs formulations, requires normal consumption of electricity. The Company takes all necessary steps to reduce the consumption of energy.
(ii) the steps taken by the company for utilizing alternate sources of energy	
(iii) the capital investment on energy conservation equipment	
(B) TECHNOLOGY ABSORPTION-	

(i) the efforts made towards technology absorption	The Company is engaged in the process of updating latest Technology (ies).					
(ii) the benefits derived like product improvement, cost reduction, product development or import substitution	<u>Processes developed for APIs:</u>					
(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	<u>Key raw materials made In-House:</u>					
(a) the details of technology imported;	<u>Processes developed for APIs:</u>					
(b) the year of import;	Brivaracetam	Anticonvulsant				
(c) whether the technology been fully absorbed;	Dapagliflozin propane diol	anti-diabetic				
(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	Delafloxacin meglumin	Antibiotic				
	Phenylephrine.HCl	Decongestant				
	Rivaroxaban	Anticoagulant				
	Bilastine	antihistamine				
	<u>Cost Improvements:</u>					
	Benidipine HCl	calcium channel blocker				
	Vildagliptin	anti-diabetic				
	Luliconazole	Antifungal				
	<u>Key raw materials made In-House:</u>					
	INB-Acetoacetate (Azelnidipine)					
	OBI-6-Ene acid (Obeticholic acid)					
	Prucalopride KSM-2 (Prucalopride)					
	Bilastine KSM [Bil oxo] Bilastine					
	Fima KSM [PYRIMIDINE AMIDE] Fimasartan					
	Glycidyl phthalimide (Rivaroxaban)					
	TPI-BOC (Teneligliptin) , 3-Hydroxy acetophenone [Lab] (Phenylephrine), Ethyl 2-Aminothiazole-4-carboxylate (Acotiamide)					
(iv) the expenditure incurred on Research and Development	<table border="1"> <tr> <td>Revenue Expenditure</td> <td>637.92 (in lakhs)</td> </tr> <tr> <td>Capital Expenditure</td> <td>52.55 (in lakh)</td> </tr> </table>		Revenue Expenditure	637.92 (in lakhs)	Capital Expenditure	52.55 (in lakh)
Revenue Expenditure	637.92 (in lakhs)					
Capital Expenditure	52.55 (in lakh)					

### (C) FOREIGN EXCHANGE EARNINGS AND OUTGO-

The total foreign exchange used and the total foreign exchange earned during the year as compared to the previous financial year has been provided hereunder:

Foreign Exchange Earnings & Outgo	Current Year (2021-22)	Previous Year (2020-21)
Inflow	30,32,475 USD 2,950 EURO	19,66,593 USD
Outflow	66,99,864 USD 30,000 EURO	8,075,765 USD 83,748 EURO

### HUMAN RESOURCES

Your Company firmly believes that human resources are invaluable assets of the Company. Over the time, the Company has changed to adapt and evolve with the changing economic landscape, while keeping its core value firmly entrenched. The Human Resource Department of the organization has strategic and functional responsibilities for all of the Human Resource disciplines in the changing scenario.

On the Industrial front, the Company continued to foster cordial Industrial Relations with its workforce during the year.

### COMPLIANCE WITH SECRETARIAL STANDARDS

The Institute of Company Secretaries of India, a Statutory Body, has issued Secretarial Standards on Board and General Meetings. The Company has complied with all the applicable provisions of the Secretarial Standards (SS-1 and SS-2).

## CORPORATE SOCIAL RESPONSIBILITY

During the year under review, the provisions of Section 135 of the Companies Act, 2013 are applicable to the Company. The Board has duly constituted CSR Committee in its meeting held on 12.08.2021 and 29.03.2022 to recommend and formulation of policy and action plan of the CSR spending for the FY 2021-22. The Annual Report on Corporate Social Responsibility as per Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as **Annexure-X** to this Report. Details pertaining to CSR Policy and composition of CSR Committee can be accessed from the Company's website [www.kimiabiosciences.com](http://www.kimiabiosciences.com).

The composition of the Committee is given in the table below:

Name & Designation	Designation	Category of Directorship
Mr. Jagdeep Dhawan	Chairman	Executive Director
Mr. Sameer Goel	Member	Independent Director
Mr. Vipul Goel	Member	Non Executive Director

## PARTICULARS OF EMPLOYEES

The information as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) &(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company forms part of this report as **Annexure-V-A**

## DECLARATION ON COMPLIANCE WITH CODE OF CONDUCT

The Board of Directors has laid down Code of Conduct for all Board Members and Senior Management of the Company. The copy of Code of Conduct as applicable to the Directors (including Senior Management of the Company) is uploaded on the website of the Company [www.kimiabiosciences.com](http://www.kimiabiosciences.com).

The Managing Director of the Company has issued a Declaration that the Members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management. The Declaration is appended to this Report at the end of Management Discussion and Analysis Report as **Annexure IV**.

## CEO CERTIFICATION

In accordance with the Regulation 17 (8) read with Part B of Schedule II to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to corporate governance norms. The said Certificate has been signed by the CEO of the Company. The said certificate forms an integral part of this Annual Report as **Annexure III**. The certificate has been reviewed by the Audit Committee and taken on record by the Board of Directors.

## MEMBERSHIP IN ASSOCIATIONS

The Company is a member of various forums and associations for actively participating in addressing global environmental concerns in continuation with our journey like previous years.

The list of associations in which Company has membership is mentioned below:

S.no.	Name of Association
1	Pharmaceutical Export Promotion Council of India (PHARMCIL)
2	Haryana Enviromental Management Society (HEMS)
3	Confederation of Indian Industry (CII)
4	Delhi Chamber of Commerce (DCC)

## CODE FOR PREVENTION OF INSIDER TRADING

The Company has instituted a comprehensive Code of Conduct for Prevention of Insider Trading, in compliance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. Further a Code of Fair Disclosure and Prevention of Insider Trading Code under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015 have been adopted and displayed on the website of the Company [www.kimiabiosciences.com](http://www.kimiabiosciences.com).

These Codes lay down guidelines vide which it advises the designated employees and connected people on procedures to be followed and disclosures to be made, while dealing with the shares of the Company and caution them of the consequences of violations.

## MANAGEMENT DISCUSSION & ANALYSIS REPORT

In compliance with Regulation 34(3) read with Schedule V(B) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a Management Discussion and Analysis, forms part of this report as **Annexure-I**.

**STATUTORY AUDITORS, THEIR REPORT AND NOTES TO FINANCIAL STATEMENTS**

In terms of Section 139 of Companies Act, 2013 read with Companies (Audit & Auditors) Rules, 2014 M/s Singhi & Associates Chartered accountant firm (FRN 302049E ) were appointed in 24<sup>th</sup> Annual General Meeting by the company for a period of 5 years subject to approval of shareholders.

The tenure of 5 years of existing auditor has completed.

Pursuant to the provisions of Section 139(2) of the Companies Act, 2013 read with rules made thereunder, Singhi & Associates is eligible to be appointed for the second consecutive term of 5 years. Accordingly, the Board of Directors on the recommendation of Audit Committee, reappointed Singhi & Associates, as Statutory Auditors of the Company, subject to the approval of members in this 29<sup>th</sup> AGM, for second term of 5 (five) years commencing from the conclusion of 29<sup>th</sup> AGM till the conclusion of 34<sup>th</sup> AGM. Singhi & Associates have consented to the said appointment and their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have further confirmed that they are not disqualified to be appointed as statutory auditors in terms of the provisions of proviso to Section 139(1), 141(2) and 141(3) of the Act and the provision of Companies ( Audit and Auditors) Rules, 2014 and also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

M/s Singhi & Associates Chartered Accountants, (Firms Registration No302049E), are proposed to be appointed as Statutory Auditors of the Company to hold office for a period of five years, from the conclusion of this Annual General Meeting till the conclusion of the 34<sup>th</sup> Annual General Meeting of the Company to be held in the year 2027.

The report of the Statutory Auditors along with Notes on Financial Statements for the year ended March 31, 2022 is enclosed with this report, which is self-explanatory and do not call for any further comments.

The Auditor has made a remark on the non opening of special account for utilization of unspent CSR funds in the ongoing project. The Management is in the view that the the CSR funds will be utilized through a Ongoing Project of the Trust, and the Funds will be utilized within a period of 3 years. The Funds will be transferred to the Trust in tranches respectively.

Further, during the year, the Auditors' has not reported any fraud u/s 143(12) of the Companies Act, 2013 and rules made there under.

**INTERNAL AUDITOR**

Apart from in-house Internal Audit function, to strengthen and maintain transparency, the Company had also appointed M/s. JKVS & Co., Chartered Accountants, (FRN No. 318086E), as Internal Auditors of the Company in accordance with Section 138 of the Companies Act, 2013, to examine the effectiveness of internal control system.

Internal auditor is appointed to ensure, monitor and evaluate the efficacy and adequacy of the internal control system of the Company, its compliance with applicable laws/regulations, accounting procedures and policies. Based on the reports of the Internal Auditors, corrective actions will be undertaken, thereby strengthening the controls. Significant audit observations and action plans were presented to the Audit Committee of the Board on a quarterly basis.

**SECRETARIAL AUDITOR'S REPORT**

In terms of Section 204 of the Companies Act, 2013 and Rules made there under and upon receiving recommendation from Nomination & Remuneration committee, the Board of Directors has appointed M/s. Rahul Chaudhary & Associates, Practicing Company Secretaries, New Delhi as Secretarial Auditors of the Company for the financial year 2021-22.

The Secretarial Audit Report for the financial year ended March 31, 2022 was considered and approved in the Board Meeting held on September 05, 2022.

The report of the Secretarial Auditors for the year ended March 31, 2022 is enclosed as **Annexure-II** to this report.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark which need any explanation or comment of the Board.

**COST AUDITORS**

The Board of Directors on the recommendation of the Audit Committee, appointed M/s. Mahesh Singh & Co, Cost Accountants (FRN: 100441), as the Cost Auditors of the Company for the Financial Year 2022-23 under Section 148 of the Companies Act, 2013.

M/s Mahesh Singh & Co, Cost Accountants (FRN:100441), have confirmed that their appointment is within the limits of Section 141(3) (g) of the Companies Act, 2013 and have also certified that they are free from any disqualifications specified under Section 141(3) and proviso to Section 148(3) read with Section 141(4) of the Companies Act, 2013.

The Company has also maintained relevant cost accounts and records as specified under Section 148(1) of the Companies Act, 2013.

As per the provisions of the Companies Act, 2013, the remuneration payable to the Cost Auditors is required to be placed before the members in a General Meeting for their ratification. Accordingly, a resolution seeking members' ratification for the remuneration payable to M/s.Mahesh Singh & Co, Cost Accountants, is included in the notice convening the 29<sup>th</sup> Annual General Meeting.

### **MATERIAL CHANGES AND COMMITMENT**

1. The Company has been granted Status of "One Star Export House" in accordance with the provisions of the Foreign Trade Policy, 2015, by Directorate General of Foreign Trade, Ministry of Commerce & Industry for the period of 5 years;
2. The company has been recognized validated for supply of pharmaceutical raw material ('Bilastine) to Bangladesh by Directorate General of Drug Administration & License Authority (DRUGS), Govt. of the people republic of Bangladesh. The certificate of source validation is valid for 3 years from the date of issue.

Except as mentioned above, there are no material changes and commitments affecting the financial position of the Company between the end of financial year of the Company and the date of this report.

### **ANNUAL RETURN**

Pursuant to Section 92(3) and 134(3)(a) of the Companies Act, 2013 ('the Act') and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, Annual Return of the Company is available on the website under 'Investor Relations' section of the company website i.e. [www.kimiabiosciences.com](http://www.kimiabiosciences.com). Investor Relations' section of the company website i.e. [www.kimiabiosciences.com](http://www.kimiabiosciences.com). and the same can be assessed at the given link <https://www.kimiabiosciences.com/wp-content/uploads/2021/09/Draft-Annual-Return-2021-22.pdf>

### **ACKNOWLEDGEMENT**

The Board of Directors would like to express their sincere appreciation for the assistance and co-operation received from the financial institutions, banks, Government authorities, customers, vendors and members during the year under review. The Board of Directors also wish to place on record its deep sense of appreciation for the committed services by the Company's executives, staff and workers.

Your Company has been able to operate efficiently during the year financial year because of the culture of professionalism, creativity, integrity and continuous improvement in all functions and areas as well as the efficient utilisation of the Company's resources for sustainable and profitable growth. To them goes the credit for all of the Company's achievements.

And to you, our Shareholders, we are deeply grateful for the confidence and faith that you have always reposed in us.

For and on behalf of the Board

KIMIA BIOSCIENCES LTD

Place : New Delhi  
Date : 05.09.2022

Sd/-  
SAMEER GOEL  
Chairman & Managing Director & CEO  
(DIN: 00161786)

Sd/-  
VIPUL GOEL  
Director  
(DIN: 00064274)

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

India is the largest provider of generic drugs globally. Indian pharmaceutical sector industry supplies over 50 per cent of global demand for various vaccines, 40 per cent of generic demand in the US and 25 per cent of all medicine in UK.

India enjoys an important position in the global pharmaceuticals sector. The country also has a large pool of scientists and engineers who have the potential to steer the industry ahead to an even higher level. Presently over 80 per cent of the antiretroviral drugs used globally to combat AIDS (Acquired Immune Deficiency Syndrome) are supplied by Indian pharmaceutical firms.



The pharmaceutical industry is at the centre of the fight against the global COVID-19 pandemic and has contributed significantly in terms of supply of critical medications for treatment as well as in developing and manufacturing COVID-19 vaccines. The industry has ensured continuity of supplies of all other medicines to meet the needs of patients across the world. The global pharmaceutical market size in 2020 was estimated at US\$1.27 Trillion and is expected to expand at a compounded annual growth rate (CAGR) of 3-6% to US\$1.6 Trillion by 2025 (this estimate excludes the additional spending on COVID-19 vaccines). The factors driving

global medicine spending will be sustained growth in the pharmerging markets and the consistent launch of high-end specialty innovative products in developed markets. However, slower growth

across developed markets due to losses of patent exclusivity for original brands will be an offsetting factor.

### INDUSTRY STRUCTURE AND DEVELOPMENTS

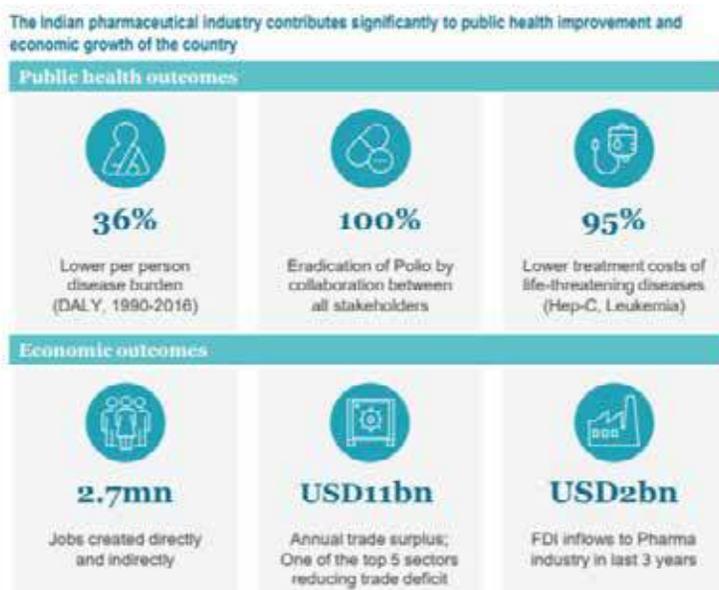
#### India, a Leading pharma producer:

India is the largest provider of generic drugs globally. Indian pharmaceutical sector supplies over 50% of global demand for various vaccines, 40% of generic demand in the US and 25% of all medicine in the UK. Globally, India ranks 3rd in terms of pharmaceutical production by volume and 14th by value. The domestic pharmaceutical industry includes a network of 3,000 drug companies and 10,500 manufacturing units.

India enjoys an important position in the global pharmaceuticals sector. The country also has a large pool of scientists and engineers with a potential to steer the industry ahead to greater heights. Presently, over 80% of the antiretroviral drugs used globally to combat AIDS (Acquired Immune Deficiency Syndrome) are supplied by Indian pharmaceutical firms.

#### GLOBAL PHARMA MARKET:

The global pharmaceutical market is set to exceed US\$ 1.5 trillion by 2023. Against this backdrop, the Indian pharmaceutical industry is currently valued at US\$ 41 billion and is expected to grow to US\$ 65 billion by 2024 and about US\$ 120-130 billion by 2030. A significant raw material base and availability



of a skilled workforce have enabled India to emerge as an international manufacturing hub for generic medicines. Further, India is the only country with largest number of US-FDA compliant pharma plants (more than 262 including APIs) outside of USA.

### **Outlook, implications and emerging trends:**

The Indian pharma industry is grown at 9-11 per cent in 2021-22 and in the next few quarters, it will be driven by domestic and emerging markets, according to ratings agency ICRA. According to 21 Indian pharmaceutical companies, ICRA said revenue growth was moderate at 6.4 per cent in the second quarter of FY22, down from 16 per cent in the first quarter of 2021-22.

{Economic Survey 2020-21 (Vol.2)}

### **Active Pharmaceutical Ingredients (API):**

The market size of global active pharmaceutical ingredients was valued at US\$187.7 Billion in 2020 and is expected to grow at a CAGR of 6.6% between 2021-28. Growth drivers include advancements in API manufacturing and the rising prevalence of chronic diseases. Favourable government policies for API production, along with changes in geopolitical dynamics, are expected to further drive market growth. The global API market is undergoing immense changes due to supply chain disruptions caused by COVID-19 in early 2020. There is an increasing trend around diversification of the supply chain, with India being viewed as one of the critical suppliers of API for the future. Traditionally, the API market has been dominated by drugs in categories such as, anti-infectives, diabetes, cardiovascular, analgesics, and pain management. However, driven by emerging R&D trends, the demand is shifting toward the development of complex APIs used in novel formulations, targeting niche therapeutic areas.

India's biotechnology industry comprising bio-pharmaceuticals, bio-services, bio-agriculture, bio-industry and bioinformatics is expected to grow at an average growth rate of around 30 per cent a year and reach US\$ 150 billion by 2025.

## **R&D**

The Global Medicine Spending and Usage Trends: Outlook to 2025 report suggests growth of the global medicines market at 3%-6% CAGR by 2025, reaching around \$1.6 trillion in total market size by 2025, excluding spending on COVID-19 vaccines. Oncology, immunology, and neurology are key areas that are expected to contribute the most to growth over the next five years, predominantly by a continuing flow of new drugs that will offset the losses of exclusivity caused by patent expiries over the next decade. Oncology and immunology are forecast to grow by 9%-12% CAGR by 2025, driven by significant increases in new treatments and drug use.

Besides the new pandemic-imposed challenges, the pharmaceutical industry will still deal with others that preceded COVID-19. According to Industry Trends Pharmaceuticals 2022, the aging of the global population is a major trend that will continue independent of the pandemic. The WHO estimates that there will be more than 2 billion people aged 60 and over by 2050. A consequence that the health systems will have to face is the increase in chronic and neurodegenerative diseases. The neurology field expects to include new therapies for migraine, potential treatments for rare neurological disorders, and potential therapies for Alzheimer's and Parkinson's disease.

Another expectation for the coming years is continued growth of biopharma, with China emerging as a major player. By 2026, it is predicted that most of the ten top-selling drugs will be biologicals, and together, they will be worth more than \$127 billion. The protein-based candidate Novax alone could move \$5 billion in 2026. Moreover, the biopharmaceutical company AbbVie is predicted to overtake Roche and become the largest pharmaceutical company by sales in 2026.

{ <https://www.prescouter.com/> }

## **GOVERNMENT INITIATIVES**

The industry is expected to reach \$65 bn by 2024 and to \$120 bn by 2030. Generic drugs, with 71% market share, form the largest segment of the Pharmaceutical industry in India. This is set to grow as exports of generics to the US rise, as branded drugs worth \$55 bn will become off-patent during 2017-2019. In the domestic market by revenue, Anti-Infectives (13.6%), Cardiac (12.4%) and Gastrointestinal (11.5%) had the biggest market share. Under the Production Linked Incentive (PLI) Scheme for Promotion of Domestic Manufacturing of critical Key Starting Materials (KSMs)/ Drug Intermediates and Active Pharmaceutical Ingredients (APIs), 47 applications with committed investments of INR 5366.35 crore have been approved.\*

The Government of India (GoI) has been equally proactive in recognising the need to boost and support the healthcare and life sciences sector at large.

Recently, the Gol released the Economic Survey 2021-22. The Economic Survey considered the existing circumstances which demonstrate volatility, uncertainty, complexity and unambiguity. Therefore, the central theme of 'agile' approach was adopted in contrast to the pre-determined 'waterfall' approach.

The Economic Survey suggested that the overall health of the economy has reached pre-pandemic levels. Particularly for the pharmaceutical industry, the Economic Survey indicated extraordinary growth of Foreign Direct Investment (FDI) during 2020-21 mainly on account of investments to meet COVID-19 related demands for therapeutics and vaccines.

Below are a few noteworthy initiatives by the Gol in the recent past for the pharmaceutical industry:

- Production Linked Incentive ('PLI') scheme for pharmaceuticals sector approved on 24 March 2021 with a total financial outlay of Rs 15,000 crores.
- To reduce import dependence on bulk drugs (varying from 80-100 percent in certain cases), one of the measures introduced is the PLI scheme for bulk drugs with a budget of Rs 6,940 crores for 8 years.
- Scheme for promotion of bulk drug parks envisaging the creation of world-class infrastructure facilities to make the Indian bulk drug industry a global leader approved on 20 March 2020.
- PM Gati Shakti, an integrated plan ensuring multi-modal and seamless connectivity for people goods and services, was introduced. Through the development of economic zones like pharmaceutical clusters, Gati Shakti will improve connectivity thereby making Indian businesses more competitive.

With the hope that a 'once-in-a-century' pandemic will soon be behind us, the finance minister presented the second Union Budget in digital form which lays down a plethora of initiatives to move the economy forward. While the Union Budget focused on the growth agenda, the central theme revolved around capital expenditure, infrastructure development, augmenting the digital ecosystem and promoting ease of doing business.

Certain amendments in the Union Budget which may be of relevance to the pharmaceutical industry are:

- Introduction of National Digital Health Ecosystem, an open platform consisting of digital registries of health providers and health facilities, unique health identity, consent framework and universal access to health facilities
- Launch of National Tele Mental Health Programme with 23 tele-mental health centres of excellence for better access to quality mental health counselling and care services.
- Extending the time limit for commencement of manufacturing or production to avail concessional 15 percent tax regime for new manufacturing facilities to March 31, 2024.
- Non-taxability in recipient's hands of the sum received to be spent on COVID-19 related illness and receipt of funds by a family from an employer or any person on death of individual subject to conditions prescribed.
- Provide sunrise opportunities to pharmaceutical companies to assist sustainable development at scale. For R&D in these sunrise opportunities, in addition to efforts of collaboration among academia, industry and public institutions, government contribution will be provided.

While the above coupled with certain other amendments to reduce litigation may be viewed favourably, certain proposed amendments like allowability of business expenses (subject to conditions) and introduction of the new provision for deduction of tax on the benefit of perquisite in respect of business or profession, may require discussion with relevant stakeholders for smooth implementation.

While India's estimated economic growth is pegged at 9.2 percent, the effective capital expenditure of Rs 10.68 lakh crores in 2022-23 is approximately 4.1 percent of Gross Domestic Product (GDP), and seems to be receiving a positive response from investors and markets.

Given the policy-related initiatives like the PLI scheme, tele mental health programme, etc., there is a bright road ahead for the Indian pharmaceutical industry. With price competitiveness and good quality medicines coupled with infrastructure and policy-level initiatives, the industry is well-advancing towards being dominant players of the world and strengthening India's image as 'pharmacy of the world'.

{<https://www.makeinindia.com/schemes-promotion-pharmaceutical-industry>}

## OVERSEAS MARKET

The development of the business in overseas markets is a critical factor in determining future ability to sustain or increase global product revenues. This poses various challenges including volatile economic conditions, IP issues, developed market compliance standards, inadvertent breaches of local/ international law and interventions by national governments or regulators restricting access to market and/or introducing adverse price controls. However, the Company carefully monitors the business scenarios of these markets, prepares the business plan and undertakes various researches to reduce the risk at the minimal level.

In US, there is a continuing trend towards consolidation of certain customer groups such as wholesale drug distribution and retail pharmacies as well as emergence of large buying groups. The consolidation may result into these groups gaining additional purchasing leverage and consequently increasing the product pricing pressures. Additionally, the emergence of large buying groups representing independent retail pharmacies, prevalence and influence of managed care organizations and similar institutions potentially enable those groups

to attempt to extract price discounts on the Company's products. The result of such developments could affect the sales volumes and price realizations of the Company's products on an overall basis.

The global active pharmaceutical ingredients (API) market is segmented on the basis of region into North America, Europe, Asia Pacific, Latin America, and the Middle East & Africa. Amongst the market in these regions, the market in North America generated the largest revenue of USD 71.70 Billion in the year 2020 and is further projected to reach a revenue of USD 127.61 Million by the end of 2030. One of the major factors anticipated to drive the growth of the market in the region is the rising prevalence of chronic diseases in countries, such as the United States, along with the presence of a strong healthcare network in the region. According to the statistics by the Centers for Disease Control and Prevention (CDC), out of 10 adults in the United States, 6 of them had a chronic disease, while 4 of them had two or more of these diseases. The market in the region is segmented by country into the United States and Canada. Out of the market in these countries, the market in the United States is projected to register the largest revenue by the end of 2030 and also grow with the highest CAGR of 6.03% during the forecast period.

{<https://www.globenewswire.com/>}

## CURRENCY FLUCTUATION RISKS

Currency risks mainly arise out of overseas operations and financing activities. Exchange rate fluctuations could significantly impact earnings and net equity because of invoicing in foreign currencies, expenditure in foreign currencies, foreign currency borrowings and translation of financial statements of overseas subsidiaries into Indian rupees. The Company has a defined foreign exchange risk management framework to manage these risks excluding translation risks.

**New technologies' impact on Pharma:** An ongoing issue for the pharmaceutical industry is how new technologies, particularly digital-related technologies, will impact drug development and commercialization. The Company reports emerging technologies in healthcare as a whole, such as artificial intelligence, 3D printing and their impacts on business models, operations, workforce needs and cyber security risks as well as the positive impact of a digitized supply chain in reducing manufacturing costs.

## OPPORTUNITIES AND THREATS

The Pharmaceutical industry is a highly dynamic and competitive market. The Indian Pharma Industry is faced with significant export opportunities. Marketing alliances for MNC products in domestic and international market is another emerging opportunity. India can become a niche player in global pharmaceutical R&D and possibilities exist for expansion of biotechnology generics (also known as bio-similar) and biopharmaceuticals.

However, product patent regime poses serious challenge to domestic industry unless it invests in research and development. R&D efforts of Indian pharmaceutical companies are hampered by lack of enabling regulatory requirement. This threat does not affect Kimia Biosciences as a large portion of capital is invested in R&D for the company. The company has volatile and dynamic market strategies to cope with various market changes and challenges.

## SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

The Company has already received WHO-GMP certificate for its manufacturing site at Gurugram under WHO GMP Certification Schemes for manufacturing Active Pharmaceutical Ingredients (API) Bulk Drugs.

During the year under review, manufacturing operation has been started, and practices for manufacturing, Research & Development (R&D) segment of the organization, were followed at the plant located at Village Bhondsi, Tehsil Sohna, Distt. Gurgaon, Haryana -122102.

## OUTLOOK

The Company has commenced building new formulations and APIs manufacturing facility and the capacities are built in anticipation of demands.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company's internal control framework is designed specifically to ensure effectiveness and efficiency of operations, reliability of financial reporting and compliance of laws and regulations. A proper and extensive system of internal control is practiced by the Company, to ensure that all its assets are safeguarded and protected, and that transactions are authorized, recorded and reported properly. Internal Audit and control system evaluates adequacy of internal controls, adherence of processes and procedures, compliances of regulatory & legal requirements. The Internal Audit program is periodically reviewed by Audit Committee in order to keep preventive checks on compliance risks. The Company is also following procedures in all its departments with special emphasis on manufacturing and quality assurance activities.

## FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The sale of manufactured goods done by company is 12490.09 Lakhs during the year 2021-22 in comparison to 13271.38 Lakhs for the year 2020-21.

## MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/ INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

In the context of people employed, there has been significant increase in workforce employed during the financial year 2021-22 as compared to the previous year.

## Details of significant changes in the Key Financial Ratios

Ratios	31/Mar/22	31/Mar/21	% change	Explanation for change >25%
i) Debtors Turnover	3.47	3.75	3.43	
(ii) Inventory Turnover	3.04	5.33	30.95	Due to increase in inventory and reduction in cost of goods sold, Inventory Turnover has declined.
(iii) Interest Coverage Ratio	-0.63	2.63	-124	Due to loss incurred by the Company during the financial year.
(iv) Current Ratio	1.18	1.38	14.12	
(v) Debt Equity Ratio	2.73	2.02	11.94	
(vi) Gross Profit Margin (%)	26.13	27.02	3	
(vii) Operating Profit Margin (%)	-1.85	4.87	-138	Substantial change in OP observed due reduction in COGS & increase in Gross profit ratio linked with increase in revenue/sales.
(viii) Net Profit Margin (%)	-2.96	3.85	-177	Net profit margin increased as a result of reduction in Raw material cost due to process improvement and backward integration in Key products with R&D support backed by control on fixed cost on Increased revenue/sales.

## Detail of changes in the Return on Net Worth

Ratios	31/Mar/22	31/Mar/21	% change
Change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof	-22.22	32.09	-169.24%

FORM NO. MR-3

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

To,

The Members,

**Kimia Biosciences Limited**

**CIN: L24239HR1993PLC032120**

Village Bhondsi, Tehsil Sohna

Distt Gurgaon, Haryana-122102

We have conducted the Secretarial Audit in respect of the compliance of applicable statutory provisions and the adherence to good corporate practices by Kimia Biosciences Limited (hereinafter referred to as "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minutes book, forms and returns filed and other records maintained by Kimia Biosciences Limited and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion the Company has, during the audit period covering the financial year ended on March 31, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022, to the extent applicable, and according to the 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'):-
  - (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, 1992 and 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 amendments made therein from time to time; **Not Applicable**
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **Not Applicable**
  - (e) The Securities and Exchange Board of India (Registrars to Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
  - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008: **Not Applicable**
  - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents), Regulations, 1993 regarding the Companies Act and dealing with client: **Not Applicable**
  - (h) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009: **Not Applicable**
  - (i) Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998.

(j) Other Laws as applicable specifically to the Company:

- I. The Drug and Cosmetics Act, 1940.
- II. The Narcotics Drugs and Psychotropic Substances Act, 1985.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) SEBI (The Listing Obligation Disclosure Requirement) Regulations 2015 by the Company with the BSE Limited.

During the year under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, and Standards etc. The observation made in Secretarial Report for the year ended 31<sup>st</sup> March, 2022 is as follows:

We report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
2. Adequate notice was given to all directors of the Board Meetings, and the 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.
3. Decisions at the Board meetings were carried out through majority and the views of the dissenting members, if any, were captured and recorded as part of the minutes of meetings.

We further report that during the audit period, the following important events/ actions having bearing on the company affairs in pursuance of the above referred laws, rules, regulation, guidelines and standard were taken:

- Appointment of Ms. Arti as Chief Financial Officer of the Company with effect from April 28, 2022.
- Appointment of Lakshay Prakash, as Company Secretary & Compliance Officer of the Company with effect from May 16, 2022.
- Resignation of Mr. Suneel Kapur as Chief Executive officer of the Company with effect from May 22, 2022.
- Appointment of Mr. Sameer Goel as Chief Executive officer of the Company with effect from May 30, 2022.

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

**For Rahul Chaudhary & Associates**  
**(Company Secretaries)**

**SD/-**

**Rahul Chaudhary**  
**(Proprietor)**

**FCS No.: 54713**

**C P No.: 20341**

**UDIN:A054713D000479051**

**Date: June 09, 2022**

**Place: Delhi**

To

**The Members,**

**Kimia Biosciences Limited**

(CIN: L24239HR1993PLC032120)

Village Bhondsi, Tehsil Sohna

Distt Gurgaon, Haryana- 122102

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

**Management's Responsibility:**

1. Maintenance of secretarial records and other records under the scope/ambit of Secretarial Audit (hereinafter called 'Record') is the responsibility of the management of the Company. My responsibility is to express an opinion on these records based on my audit.
2. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

**Auditor's Responsibility:**

3. My responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
4. I believe that audit evidence and information obtained from the Company's management is adequate and appropriate for me to provide a basis for my opinion. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Where ever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

**Disclaimer:**

6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Rahul Chaudhary & Associates**  
**(Company Secretaries)**

**SD/-**

**Rahul Chaudhary**  
**(Proprietor)**

**FCS No.: 54713**

**C P No.: 20341**

**UDIN: A054713D000479051**

**Date: June 09, 2022**

**Place: Delhi**

## CERTIFICATE OF CEO

To

**Kimia Biosciences Limited**

**CERTIFICATE PURSUANT TO REGULATION 17(8) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.**

I, Mr. Sameer Goel, Managing Director and Chief Executive Officer of the Company do hereby certify to the Board that: -

- (a) I have reviewed the Financial Statements and the Cash Flow Statement for the year ended March 31, 2022 and that to the best of our knowledge and belief: -
  - (i) the said statements do not contain any materially untrue statements or omit any material fact, or contain statements that might be misleading;
  - (ii) the said statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of my 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.
- (c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- (d) I have indicated to the Auditors and the Audit Committee: -
  - (i) Significant changes in internal control over financial reporting during the year, if any;
  - (ii) Significant changes in accounting policies during the year if any and that the same have been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Kimia Biosciences Ltd.

SD/-

SAMEER GOEL

Managing Director & Chief Executive Officer

DIN-00161786

**Date: May 30, 2022**

**Place: New Delhi**

## DECLARATION

This is to certify that the Company has laid down code of conduct for all Board Members and Senior Management of the Company and the copies of the same are uploaded on the website of the Company [www.kimiabiosciences.com](http://www.kimiabiosciences.com). Further certified that the Members of the Board of Directors and Senior Management personnel have affirmed having complied with the code applicable to them during the year ended March 31, 2022.

For Kimia Biosciences Ltd.

SD/-

SAMEER GOEL

Managing Director & Chief Executive Officer

DIN-00161786

**Date: May 30, 2022**

**Place: New Delhi**

## PARTICULARS OF REMUNERATION

The information required under Section 197(12) of the Act and the Rules made thereunder, in respect of employees of the Company is follows:

**(a) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;**

Non- Executive Directors	Ratio to Median Remuneration
Mr. Vipul Goel	N.A.
Mr. Jagdeep Dhawan	N.A.
Mrs. Richa Gupta	N.A.
Executive Directors	
Mr. Sameer Goel	19:1

**(b) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year;**

Name of Person	% increase in remuneration
Mr. Sameer Goel	NIL
Mr. Vipul Goel	NIL
Mr. Jagdeep Dhawan	NIL
Mrs. Richa Gupta	NIL
Mr. Abhishek Kumar Pandey, Company Secretary	NIL
Mr. Sanjay Gupta, Chief Financial Officer	NIL

**(c) The percentage increase in the median remuneration of employees in the financial year 2021-22. 7%**

**(d) The number of permanent employees on the rolls of Company:**

The number of employees on the payroll of the Company as on 31<sup>st</sup> March, 2022 were 232, as compared to number 219, as at 31<sup>st</sup> March, 2021.

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

The average increase in salaries of employees other than managerial personnel in 2020-21 was 7.49% approx and average increase in the managerial remuneration for the year was Nil.

Note: Bonus at an average rate of 8.33% was provided to all the eligible employees of Company during the year under review.

**(f) Affirmation that the remuneration is as per the remuneration policy of the Company**

The remuneration is as per the Nomination, Remuneration and Evaluation Policy for Directors, Key Managerial Personnel and other employees of the Company to whom it applies.

**(g) Particulars of Employees pursuant to provisions of section 197 of the Companies Act, 2013 and Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are hereby attached with this report as Annexure – V.**

For and on behalf of the Board

KIMIA BIOSCIENCES LTD

Place : New Delhi  
Date : 05 September 2022

Sd/-  
SAMEER GOEL  
Chairman & Managing Director & CEO  
(DIN: 00161786)

Sd/-  
VIPUL GOEL  
Director  
(DIN: 00064274)

S No	Name	Designation	Annual Gross	Nature Of Employment (Whether Contractual or Otherwise)	Qualification	Date of Commencement of Employment	Age	If employee is relative of any Director or Manager, provide the name of such Director of Manager	Last Employment	% of Equity Capital held
1	Asit Tanaji Bhalerao	CHRO	7000000	Payroll	MBA	11-11-2021	40	NO	Ester Industries Ltd.	0
2	Subrat Satpathy	COO	6550062	Payroll	M. Sc	29-09-2021	47	NO	Nectar Life-sciences Ltd	0
3	Sameer Goel	Director	6000000	Payroll	B.com	05-07-2007	47	NO	NA	0
4	Mukesh Kumar Sharma	VP	3593336	Payroll	PHD	04-12-2017	55	NO	Ranbaxy Laboratories Ltd.	0
5	Guruditsingh Anoopsingh Vadhwa	Head- Manufacturing & Operations	3200000	Payroll	B. Tech	11-12-2021	43	NO	Saurav Chemicals Ltd.	0
6	Sanjay Gupta	CFO	2765004	Payroll	CA	29-09-2017	49	NO	Girija Colonisers	
7	Ramnik Sharma	Group Leader	2708000	Payroll	PHD	27-12-2017	47	NO	NA	0
8	Anita Ramnarayan	AGM	2500000	Payroll	MBBS & MBA	07-09-2021	39	NO	HCG	0
9	Raj Kumar Dhawan	General Manager	2499996	Payroll	PHD	16-12-2020	55	NO	IPCA	0
10	Ravi Kumar	DGM	2084304	Payroll	PGDM	04-07-2019	48	NO	Nari Pharma	0
(b)	Employees who were in the receipt of remuneration aggregating Rs. 1,02,00,000 or more per annum : None									
(c)	Employed for part of the financial year and was in receipt of remuneration not less than Rs. 8,50,000 per month : None									
(d)	Employee who was in receipt of remuneration in excess of that drawn by the Managing Director or whole time director or manager and holds by himself or along with his spouse and dependent children, not less than 2% of the equity shares of the Company : None									
	There were no employee in the Company, throughout the financial year or part of the year, who were in receipt of remuneration aggregating Rs. 1,02,00,000 or more per annum or Rs. 8,50,000 per month.									

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,

**The Members of  
KIMIA BIOSCIENCES LIMITED  
Village Bhondsi, Tehsil Sohna  
Distt, Gurugram (Haryana)**

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **KIMIA BIOSCIENCES LIMITED** having CIN **L24239HR1993PLC032120** and having registered office at Village Bhondsi, Tehsil Sohna Distt, Gurugram (Haryana)(hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

S. No.	Name of director	DIN	Date of appointment in Company
1	Sameer Goel	00161786	29-03-2016
2	Vipul Goel	00064274	07-10-2019
3	Jagdeep Dhawan	00778235	29-03-2019
4	Richa Gupta	07481646	15-04-2016

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

**For Rahul Chaudhary & Associates  
(Company Secretaries)**

**Date: June 09, 2022**

**Place: Delhi**

**SD/-  
Rahul Chaudhary  
(Proprietor)  
FCS No.: 54713  
C P No.: 20341  
UDIN: A054713D000479071**

## REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2022.

### **1. Company's Philosophy**

The Company's philosophy on Code of Corporate Governance is based on the following principles:

- (i) Conduct of business with all integrity and fairness, transparency with regard to all transactions, making of all necessary disclosures and decisions, complying with all applicable laws, accountability and responsibility towards all stakeholders.
- (ii) Adoption of sound practices based on openness, transparency, capability and accountability which are essential for long term success, building confidence of stakeholders, functioning and conducts of business.

### **2. Board of Directors**

The composition of Board of Directors of the Company is in line with Regulation 17 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and at least one third of the Board comprises of Independent Directors of the Company.

Mr. Sameer Goel (DIN: 00161786), Director of the Company, retires at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment to the said office .

#### Directors' Profile

Brief resume of all the Directors, nature of their expertise in specific functional areas and number of companies in which they hold directorships, memberships/ chairmanships of Board Committees and their shareholding in the Company are as follows:

- (i) Mr. Sameer Goel, aged 48, he is graduate from Commerce from Delhi University. He holds a stature in the Indian Active Pharmaceutical Ingredient (API) with more than 23 years of experience and has a strong multi-dimensional capabilities in the areas of Business Development, Strategic Marketing and Operational Management. As a co-founder of Biotavia Group, a group which deals in Pharmaceutical products, he had run the organisation for 19 years and played a key leadership role in acquiring and aligning the strong support of professional networks, business partners and executive teams to accomplish expertise in manufacture, sales, marketing and trading in various API's and its Intermediates.

Mr. Sameer Goel diverted away from the family partnership business and started Kimia Biosciences Private Limited in 2012. Kimia is engaged in dealing bulk drugs addressing to various high potential therapeutic segments. Kimia gets its product manufactured on job work basis from facilities at Derabassi, Punjab and few other locations in the country that enables it to produce wide range of API's He holds nerves of pharmaceutical API's business and having in-depth knowledge about Industry, Market and products. He is well known face amongst the API's Industries. He is a great visionary with good sense of business acumen.

He is member of Audit Committee, Chairman of Share Allotment Committee and Chairman of Corporate Social Responsibility Committee.

Mr. Sameer Goel holds 3,01,37,381 equity shares of the Company as on March 31,2022.

- (ii) Mr. Vipul Goel, aged 44 a Delhi University Commerce graduate, holds a stature in the Indian API market and holds a strong multi-dimensional capabilities in the areas of Business Development, Product Development, Strategic Marketing and Operations Management. Currently Mr. Vipul Goel is Co-heading Biotavia group, a Group which deals in pharmaceutical products. He is responsible for providing overall leadership in achieving business & product development goals and formation of strategic partnerships in Business.

Mr. Vipul Goel holds 16 equity shares of the Company as on March 31, 2022.

- (iii) Mr. Jagdeep Dhawan, aged 52 is having rich experience in marketing of API & Pharmaceutical products and wide range of experience of pharmaceutical industry and is a successful entrepreneur. Mr Dhawan has been associated with various renowned pharma companies in the country and is having an experience of more than 24 years in the industry keeping in view his vast expertise and knowledge.

He is a Chairman of the Audit Committee, Nomination and Remuneration Committee and Stakeholder Relationship Committee.

He is a member of Share Allotment Committee and Corporate Social Responsibility Committee.

Jagdeep Dhawan does not holds any equity shares of the Company as on March 31, 2022.

- (iv) Ms Richa Gupta, aged 42 is having expertise in specific functional areas and smooth functioning of the Company. She is a member of Audit Committee, Nomination and Remuneration Committee, Stakeholder Relationship Committee and Share Allotment Committee.

Ms. Richa Gupta does not hold any share of the Company as on March 31, 2022.

\*Details of the Directors proposed to be re-appointed at the Annual General Meeting.

Name of Director	Mr. Sameer Goel	
Date of Birth	20/05/1975	
Date of Re-appointment	30.09. 2022	
Qualification	Graduate	
Experience in Specific	<p>(i) he is graduate from Commerce from Delhi University. He holds a stature in the Indian Active Pharmaceutical Ingredient (API) with more than 23 years of experience and has a strong multi-dimensional capabilities in the areas of Business Development, Strategic Marketing and Operational Management. As a co-founder of Biotavia Group, a group which deals in Pharmaceutical products, he had run the organisation for 19 years and played a key leadership role in acquiring and aligning the strong support of professional networks, business partners and executive teams to accomplish expertise in manufacture, sales, marketing and trading in various API's and its Intermediates.</p> <p>Mr. Sameer Goel diverted away from the family partnership business and started Kimia Biosciences Private Limited in 2012. Kimia is engaged in dealing bulk drugs addressing to various high potential therapeutic segments. Kimia gets its product manufactured on job work basis from facilities at Derabassi, Punjab and few other locations in the country that enables it to produce wide range of API's He holds nerves of pharmaceutical API's business and having in-depth knowledge about Industry, Market and products. He is well known face amongst the API's Industries. He is a great visionary with good sense of business acumen.</p>	
Directorship held in other companies	4 (Four)	
Chairman/member of the Committee of the Board of Directors of the Company	Chairman	Member
	0	3
Chairman/member of the Committee of the Board of Directors of other Company	Chairman	Member
	0	0
Number of Shares held in the Company	16 equity shares of Re. 1.00 each.	
Relationship with other Directors	Younger Brother of Mr. Sameer Goel (Managing Director – Promoter)	

Meetings/ AGM and other directorships and chairmanships/ memberships of Committees:

S. No.	Name of Director	Category of Directorship	Attendance of Meetings during 2021-22		No. of Directorships and Committee Memberships / Chairmanships (including this Company)		
			Board Meetings	Last AGM	Directorships	Committee Memberships	Committee Chairmanships
1	Mr. Sameer Goel	Chairman & Managing Director	10	Yes	5	3	1
2.	Mr. Vipul Goel	Non-Executive – Promoter Director	10	Yes	5	3	0
3.	Mr. Jagdeep Dhawan	Non-Executive Independent director	10	Yes	2	5	2
4.	Mrs. Richa Gupta	Non-Executive-Independent director	10	Yes	0	4	0

### 3. Meetings of the Board of Directors

#### Appointment and Tenure

The Directors of the Company are appointed by Members at the General Meetings.

As regards the appointment and tenure of Independent Directors, the following policy has been adopted by the Board:

- The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which are consistent with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.
- The Independent Directors will serve a maximum of two terms of five years each.
- The Company would not have any upper age limit of retirement of Independent Directors from the Board and their appointment and tenure will be governed by provisions of the Companies Act, 2013.

#### Board Independence

The interpretation of the term 'Independence' of Directors has been based on Regulation 25 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and Section 149(6) of the Companies Act, 2013. Upon confirmation / disclosures received from the Directors and on evaluation of the same, all Non-Executive Directors, other than the Chairman and Promoter Directors, are confirmed to be Independent.

#### Separate Independent Directors Meetings

The Independent Directors met once during the year under report, i.e., March 30, 2022, without the presence of Executive Directors or Management representatives.

The Independent Directors, inter alia, discussed the following:

- the performance of non-Independent Directors and the Board as a whole;
- the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors; and
- the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

In addition to these formal meetings, interactions outside the Board meetings also take place between the Chairman and Independent Directors.

#### Appointment Letter and Familiarisation programmes for the Board Members

At the time of appointing a director a formal letter of appointment is given to him/ her, which inter alia explains the roles, functions, duties and responsibilities expected to be discharged by him/ her during his/ her tenure as director of the Company.

The Independent Directors go through a familiarisation programme to familiarise them with the Company, their role, rights, responsibilities in the Company, nature of industry in which the Company operates, business model, management structure, industry overview, internal control systems and processes and the like.

Details of the familiarisation programme of the Company may be accessed at web link: <http://www.raas.co.in/investor.html>.

#### Board Meetings

During the year ended March 31, 2022, Ten (10) meetings of the Board of Directors were held on June 04, 2021, June 22, 2021, August 12, 2022, August 28, 2021, September 14, 2021, November 11, 2021, January 06, 2022, February 14, 2022, March 29, 2022.

### 4. Committees of the Board

The Board has established the following statutory and non-statutory committees:

#### Audit Committee

The Audit Committee comprises Mr. Jagdeep Dhawan as Chairman, Mr. Sameer Goel as Member and as Richa Gupta as Member.

The Company Secretary is the Secretary of the Committee.

The terms of reference of the Audit Committee are as per Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Section 177 of the Companies Act, 2013, and includes such other functions

as may be assigned to it by the Board Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process and inter alia performs the following functions, amongst others:

- a) Overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible;
- b) Recommending to the Board, the appointment, re-appointment of the Statutory Auditor and Internal Auditor and fixation of audit fees and approval for payment of any other services;
- c) Reviewing with the Management, the annual financial statements before submission to the Board for approval;
- d) Reviewing with the Management, the quarterly and annual Financial Statements before submission to the Board for approval;
- e) Reviewing with the Management the performance of the Statutory Auditors and the Internal Auditors and the adequacy of internal audit systems
- f) Reviewing with the Management the adequacy of internal audit functions.

The meetings of Audit Committee are also attended by the Chief Financial Officer, Statutory Auditors and Internal Auditor as special invitees. The Company Secretary acts as the Secretary to the Committee. The minutes of each Audit Committee meeting is placed and confirmed in the next meeting of the Board.

The Audit Committee met eight (8) times during the financial year ended March 31, 2022 which were held on June 04, 2021, June 22, 2021, August 12, 2021, August 28, 2021, September 14, 2021, October 21, 2021, November 11, 2021 and February 14, 2022.

#### **Nomination and Remuneration Committee**

The Nomination and Remuneration Committee comprises Mr. Jagdeep Dhawan as Chairman and Ms Richa Gupta Mr. Vipul Goel, as Members.

In terms of Section 178(1) of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the Nomination and Remuneration Committee should comprise of at least three Directors, all of whom should be Non-Executive Directors. At least half of the Committee members should be Independent with an Independent Director acting as the Chairman of the Committee.

The Company Secretary is the Secretary of the Committee.

The terms of reference of the Nomination and Remuneration Committee is in accordance with the Companies Act, 2013 and Part II of Schedule D of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which inter alia deals with manner of selection of Directors, Key Managerial Personnel and Senior Management Personnel, formulation of criteria for evaluation of the performance of the Directors and determining the remuneration of Key Managerial Personnel and other employees of the Company.

The Nomination and Remuneration Committee met 5 times during the financial year on June 04, 2021, August 12, 2021, August 28, 2021, September 14, 2021 and October 21, 2021.

#### **Stakeholders' Relationship Committee**

The Stakeholders' Relationship Committee comprises Mr. Jagdeep Dhawan as Chairman and Ms. Richa Gupta and Mr. Vipul Goel, as Members.

The Committee oversees the performance of the Registrar and Share Transfer Agent and recommends measures for overall improvement in quality of investor service. The committee also looks into redressal of shareholders'/ investors complaints.

During the financial year ended March 31, 2022, the Committee met 3 times on April 06, 2021, June 17, 2021 and July 20, 2021.

The Company Secretary is designated as the Compliance Officer for resolution of Shareholders' complaints.

All the requests received during the year for issue of new share certificates after split of shares and request for Transfer of Shares were attended to and resolved satisfactorily.

#### **CSR Committee**

The CSR Committee comprises Mr. Sameer Goel as Chairman and Mr. Jagdeep Dhawan and Ms. Richa Gupta, as Members.

The Company Secretary is the Secretary of the Committee.

The role of CSR Committee inter alia includes:

The Corporate Social Responsibility Committee shall —

- (i) formulate and recommend the CSR policy to the Board;
- (ii) recommend the amount of expenditure to be incurred on CSR activities;
- (iii) monitor the CSR policy of the company from time to time; and
- (iv) formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the items as mentioned in rule 5(2) of the Companies (CSR Policy) Rules, 2014.

During the financial year ended March 31, 2022, the Committee met on August 18, 2021 and March 29, 2022.

## 5. Affirmation and Disclosures

All the members of the Board and Management have affirmed their compliance with the Code of Conduct as on 31st March, 2022 and a declaration to that effect, signed by the Chief Financial Officer (CFO), is attached and forms part of this Report. There were no material financial or commercial transaction, between the Company and members of the Management that may have a potential conflict with the interest of the Company at large. All details relating to financial and commercial transactions where Directors may have a pecuniary interest are provided to the Board and the interested Directors neither participate in the discussion nor vote on such matters.

## 6. Disclosures on materially significant related party transactions

Attention of Members is drawn to the disclosure of transactions with related parties which are set out in Notes on Accounts – **Note No. 40**—forming part of the audited accounts of the Company. None of the transactions with any of the related parties were in conflict with the interests of the Company.

## 7. Shareholder Information

### General Body Meetings

The Location, date and time of the Annual General Meetings held during the preceding Three (3) years and the Special Resolutions, if any, passed thereat are as follows:

YEAR	DAY	DATE	TIME	VENUE	SPECIAL RESOLUTION
2021	Tuesday	28.09.2021	03:30 pm	Through video conferencing/OAVM	2
2020	Monday	28.09.2020	03:30 pm	Through video conferencing/ OAVM	NIL
2019	Saturday	28.09.2019	12:30 pm	At Registered office/ OAVM	1

## 8. Extra Ordinary General Meeting

No Extra Ordinary General Meeting was held during the year ended March 31, 2022.

## 9. Subsidiary Companies

The Company does not have any subsidiaries.

## 10. Means of Communication

### Quarterly Results

The Quarterly Results of your Company are published in 'The Financial Express' (English) and 'Jansatta' (Hindi).

### Annual Report

The Annual Report containing, inter alia, Audited Annual Accounts, on standalone and consolidated basis, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Report on Management Discussion and Analysis (MD&A) forms part of the Annual Report.

### Website

Your Company's standalone results and other corporate information are published on its website at [www.kimiabiosciences.com](http://www.kimiabiosciences.com).

## 11. General Shareholders Information

### Company Registration Details

Your Company is registered with Registrar of Companies, National Capital Territory of Delhi and Haryana, India having

its registered office at Village Bhondsi Tehsil, Sohna District, Gurgaon, Haryana. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L24239HR1993PLC032120.

### Annual General Meeting

Date	: September 30, 2022
Venue	: Video Conferencing/ Other Audio Visual Means
Time	: 2:00 P.M.
Financial Year	: April 1, 2021 to March 31, 2022
Book Closure Period	: September 24, 2022, to September 30, 2022 (both inclusive) for AGM

### Calendar of Financial Year ended 31st March, 2022

The meetings of Board of Directors for approval of quarterly financial results during the Financial Year ended 31st March, 2022 were held on the following dates:

First Quarter Results	August 12, 2021
Second Quarter and Half Yearly Results	November 11, 2021
Third Quarter Results	February 14, 2021
*Fourth Quarter and Annual Results	May 30, 2022

### Tentative Calendar for financial year ending 31st March, 2023

The tentative dates of meeting of Board of Directors for consideration of quarterly financial results for the financial year ending 31st March, 2023 are as follows:

First Quarter Results	August 12, 2023
Second Quarter and Half Yearly Results	12 <sup>th</sup> October, 2023
Third Quarter Results	11 <sup>th</sup> January, 2024
Fourth Quarter and Annual Results	12 <sup>th</sup> April, 2024

### Listing on Stock Exchanges, Payment of Listing Fee, Stock Codes etc.

Stock Exchange	No. of Shares Listed	Scrip Code and Scrip ID
BSE Limited (BSE) P.J. Towers, 1 <sup>st</sup> Floor, New Trading Ring, Dalal Street, Mumbai 400001	47312741	Scrip Code: 530313 Scrip ID: KIMIABL

### Market Price Data

Month	High	Low
April-2021	46	43.75
May-2021	48.15	46.05
June-2021	52	47.9
July-2021	49.5	47.2
August-2021	46	42
September-2021	44.75	42.2
October-2021	42.4	37.1
November-2021	42.25	38.25
December-2021	61.6	61.6
January-2022	47.05	44.75
February-2022	42.1	38.25
March-2022	40.1	36.3

### Payment of Depository Fees

Annual Custody/Issuer Fee for the year 2021-22 has been paid by your Company to NSDL and CDSL.

## Stock Market Data

During the year the shares of your Company have been traded on Bombay Stock Exchange Limited where the shares of your Company are listed during the year.

## Registrar and Transfer Agent

Beetal Financial & Computer Services Private Limited

Beetal House, 3<sup>rd</sup> Floor

99, Madangir, Behind LSC, New Delhi-110062

## Share Transfer System

Presently, the share transfers which are received in physical form are processed and the share certificates are returned within a period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects. The Board of your Company has delegated the authority for approving transfer, transmission etc. of the Company's securities to the Share Transfer and Investors' Grievance Committee. Your Company shall submit a compliance certificate to the exchange, duly signed by both the Compliance Officer of the Company and the Authorised Representative of the share transfer agent, within one month of end of each half of the financial year, certifying that all activities in relation to both physical and electronic share transfer facility are maintained either in house or by Registrar and Share Transfer Agent registered with SEBI, as required under Regulation 7(3) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

## Distribution of Equity Shareholding as on March 31, 2022

S. No.	Category	Shares			
		Electronic Form and Physical Form		Total	
		No. of Shares	%age of Total Capital	No. of Shares	%age of Total Capital
1	Promoters and Promoter Group	35455841	74.94	35455841	74.94
2	Public	11857260	25.06	11857260	25.06
	*Total	47312741	100.00	47312741	100

## Shareholding Pattern by Size (NSDL+CDSL+Physical) As on March 31, 2022

Shareholding of Shares	Number of Shareholders	% of Total Shareholders	Shares	% of Total Share Capital
1-5000	12496	99.45	2647313	5.593
501-10000	43	.34	328484	.6943
10001-20000	10	.07	119173	.2519
20001-30000	4	.03	106550	.2252
30001-40000	1	.00	36700	.776
40001-50000	1	.00	40460	.0885
50001-100000	3	.02	275800	.5829
100001 –above	7	.05	43758261	92.48
Total :	12565	100.0000	47312741	100

## Distribution of Preference Shareholders as on March 31, 2022

As on March 31, 2022, Enkay Foams Private Limited holds 8000000, 0.1% Non-Convertible and Redeemable Preference Shares of Rs. 10/- each.

## Reminder Letters to Physical Shareholders

Pursuant to Section 46 of Companies Act, 2013 read with Rule 6 of the Companies (Share Capital and Debentures) Rules, 2014 the Company had dispatched to all shareholders physical share certificate of Rs. 1/- vide letter dated 31.01.2019 pursuant to reduction of share capital. But some share certificates returned undelivered due to certain reasons i.e. Non-availability of shareholder, change of address. Now, those undelivered share certificates are lying with the company.

Thereafter, Company has sent First, Second and Third reminder letters to concerned shareholders on 18.02.2021 & 08.10.2021 & 23.02.2022 respectively via courier/India Post for claiming their share certificates by following the requisite procedure and submission of requisite documents.

### **Address for Correspondence**

All shareholders' correspondence should be addressed to M/s. Beetal Financial & Computers Services Private Limited, Noble Heights, Beetal House, 3<sup>rd</sup> Floor, 99, Madangir, Behind LSC, New Delhi-110062 or at the Corporate Office of Company.

The Company's dedicated e-mail address for Investors' Complaints and other communications is [compliance.kimia@gmail.com](mailto:compliance.kimia@gmail.com).

### **Disclosure of Accounting Treatment**

Your Company has followed the principles of accounting as prescribed in the Indian Accounting Standards and accordingly, there is no explanation required to be given by the management, as per Regulation 48 of SBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

### **12. Disclosure relating to web-link**

Your Company's policy for dealing with Related Party Transactions is published on website link at <https://www.kimiabiosciences.com/wp-content/uploads/2022/07/Intimation-to-BSE-Limited-under-Regulation-30.pdf>.

### **13. Whistle Blower Policy**

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. A Vigil Mechanism has been put in place to provide a channel to the employees and directors to report to the management concerns about unethical behavior, actual or suspected.

The Whistle Blower Policy is available on the website of your Company at <http://www.kimiabiosciences.com/images/Whistle%20Blower%20Policy.pdf>

### **14. Payment to Auditor**

The Company has paid Statutory Audit fee of Rs 7,70,000/- for the financial year 2021-22.

### **15. Adoption of Requirements of Regulations of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.**

Your Company has complied with all the mandatory requirements of Regulations of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, to the extent applicable.

For and on behalf of the Board of Directors

Date: 30.05.2022

Place: New Delhi

Sameer Goel  
DIN: 00161786  
(Managing Director)

Vipul Goel  
DIN:00064274  
(Director)

**CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE**

To

The Members

Kimia Biosciences Limited

I have examined the compliance conditions of corporate governance by Kimia Biosciences Limited for the financial year ended March 31, 2022 as stipulated in Chapter IV of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. My Examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company. In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in (Listing Obligation and Disclosure Requirement) Regulations, 2015.

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

**For Rahul Chaudhary & Associates  
(Company Secretaries)**

**Date: 22.08.2022**

**Place: Delhi**

**Sd/-**

**Rahul Chaudhary  
(Proprietor)**

**FCS No.: 54713**

**C P No.: 20341**

**UDIN: A054713D000827518**

**FORM NO. AOC-2**

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

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 transaction under third proviso thereto.

1) Details of contracts or arrangements or transactions not at arm's length basis:

All contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 are at arm's length basis.

2) Details of contracts or arrangements or transactions at Arm's length basis.

1.

S.no	Particulars	Details
1	Name (s) of the related party & nature of relationship	Biotavia Labs Pvt Ltd. (Entity in which KMP and their relatives has significant influence)
2	Nature of contracts/arrangements/transaction	Purchase of goods
3	Duration of the contracts/arrangements/transaction	Ongoing
4	Salient terms of the contracts or arrangements or transaction including the value, if any	Based on transfer pricing guidelines
5	Amount of Transaction (in lakhs)	1159.89
6	Amount paid as advances, if any	Nil

2.

S.no	Particulars	Details
1	Name (s) of the related party & nature of relationship	Vandana Goel (Key Managerial Personnel (KMP) and their relatives)
2	Nature of contracts/arrangements/transaction	Remuneration
3	Duration of the contracts/arrangements/transaction	Ongoing
4	Salient terms of the contracts or arrangements or transaction including the value, if any	Based on transfer pricing guidelines
5	Amount of Transaction (in lakhs)	3.16
6	Amount paid as advances, if any	Nil

3.

S.no	Particulars	Details
1	Name (s) of the related party & nature of relationship	Arnav Goel (Key Managerial Personnel (KMP) and their relatives)
2	Nature of contracts/arrangements/transaction	Remuneration
3	Duration of the contracts/arrangements/transaction	Ongoing
4	Salient terms of the contracts or arrangements or transaction including the value, if any	Based on transfer pricing guidelines
5	Amount of Transaction (in lakhs)	.98
6	Amount paid as advances, if any	Nil

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

## ANNUAL REPORT ON CSR ACTIVITIES

1) Brief outline on CSR Policy of the Company:

The CSR policy has been placed on the Company's website

The CSR policy, which encompasses the Company's philosophy for defining its social responsibility and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable

development of the community at large. This policy shall apply to all CSR initiatives and activities taken up by the Company, for the benefit of the society as per approach and direction given by the board. This policy and the operational guidelines are subject to and pursuant to the provisions of the Companies Act, 2013 (Act) and the Schedules, rules and regulations made thereunder.

2) **Composition of CSR Committee:**

Name & Designation	Designation	Category of Directorship
Mr. Jagdeep Dhawan	Chairman	Non Executive Director
Mr. Sameer Goel	Member	Independent Director
Mr. Vipul Goel	Member	Non Executive Director

3) Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company. <https://www.kimiabiosciences.com/wp-content/uploads/2021/11/CSR-Policy-Kimia-V>

4) Provide details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable

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

6)

S.NO.	FINANCIAL YEAR	AMOUNT AVAILABLE FOR SET OFF FROM PRECEDING FINANCIAL YEARS (Rs.)	AMOUNT REQUIRED TO BE SET OFF FOR THE FINANCIAL YEAR, IF ANY (Rs.)

7) Average net profit of the Company as per Section 135 (5): Rs. 34468236.67

8) (a) Two percent of average net profit of the Company as per Section 135 (5): Rs. 689364.73

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: N/A

(c) Amount required to be set off for the financial year, if any. N/A

(d) Total CSR obligation for the financial year (7a+7b-7c): Rs. 689364.73

9) (a) CSR amount spent or unspent for the financial year:

Total amount to be spent for the financial year	Total amount transferred to unspent CSR account as per Section 135 (6)	Amount transferred to any fund specified under schedule VII
Rs. 6,89,364.73	Rs. 6,89,364.73	-

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

(1) Sl. No.	(2) Name of the Project.	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the project.		(6) Project duration.	(7) Amount allocated for the project (in Rs.).	(8) Amount spent in the current financial Year (in Rs.).	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	(10) Mode of Implementation - Direct (Yes/No).	(11) Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
1.	Cleaning of dumdam lake	iv	Yes	Gurugram		3 years	7,00,000	-	7,00,000	No	Sarup goela memorial charitable trust	-
Total							7,00,000		7,00,000			

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

**(Asset-Wise Details)**

- Date of creation or acquisition of the capital asset(s).
- Amount of CSR spent for creation or acquisition of capital asset.
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

Sd/-

Sameer Goel  
(Chief Executive Officer or  
Managing Director).

Sd/-

Jagdeep Dhawan  
(Chairman CSR  
Committee).

## INDEPENDENT AUDITOR'S REPORT

To The Members of Kimia Biosciences Limited

Report on the Audit of the Financial Statements

### Opinion

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

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

### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as 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 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 audit opinion on the financial statements.

### Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	How our audit addressed the key audit matters
<b>A. Valuation of inventories</b>	
<p>We refer to note 2 and 8 to the financial statements.</p> <p>As at March 31, 2022, the total carrying value of inventories was Rs. 3701.81 lakhs. The assessment of impairment of inventories involves significant estimation uncertainty, subjective assumptions and the application of significant judgment.</p> <p>Reviews are made periodically by management on inventories for obsolescence and decline in net realizable value below cost. Allowances are recorded against the inventories for any such declines based on historical obsolescence and slow-moving history. Key factors considered include the nature of the stock, its ageing, shelf life and turnover rate.</p>	<p>We have checked and analyzed the ageing of the inventories, reviewed the historical trend on whether there were significant inventories written off or reversal of the allowances for inventory obsolescence. We conducted a detailed discussion with the management and considered their views on the adequacy of allowances for inventory obsolescence considering the current economic environment. We have also reviewed the subsequent selling prices in the ordinary course of business and compared against the carrying amounts of the inventories on a sample basis at the reporting date.</p> <p>We found management's assessment of the allowance for inventory obsolescence and valuation of inventories to be reasonable based on available evidence.</p>

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

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the 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.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. 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 and take necessary actions, as applicable under the applicable laws and regulations.

#### Responsibilities of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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.

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report 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 financial statements.

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

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

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

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

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

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

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government 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.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls with reference to these financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;
  - (g) In our opinion and according to the information and explanations given to us, the managerial remuneration paid/ provided by the Company for the year ended March 31, 2022 is in accordance with the provisions of section 197 read with Schedule V to the Act;
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 37 to the financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There were no amount which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv.
      - a. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
      - b. The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons

or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- c. Based on such audit procedures, we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above contain any material misstatement.
- v. The Company has not declared and paid any dividend during the year. Therefore, reporting in this regard is not applicable to the Company.

For Singhi & Co.  
Chartered Accountants  
Firm Reg. No. 302049E

SD/-

Bimal Kumar Sipani  
Partner

Membership No. 088926

UDIN : 22088926AJXKLU3325

Date: May 30, 2022  
Place: Noida (Delhi – NCR)

## Annexure A to Independent Auditor's Report of even date to the members of Kimia Biosciences Limited on the financial statements as of and for the year ended March 31, 2022 (Referred to in paragraph 1 of our report on the other legal and regulatory requirements)

- (i) a. (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of property, plant & equipment.
- (B) The Company is maintaining proper records showing full particulars of intangible assets.
- b. The property, plant and equipment were physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c. Based on the records examined by us, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) and included in property, plant & equipment and right of use assets [note no. 3 and 5 to the financial statements] are held in the name of the Company.
- d. The Company has not revalued its property, plant and equipment (including right of use assets) and intangible assets during the year. Therefore, the provisions of clause 3(i)(d) of the Order are not applicable to the Company.
- e. According to information and explanations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder. Therefore, provisions of clause 3(i)(e) of the Order are not applicable to the Company.
- (ii) a. The management has conducted physical verification of inventories during the year at reasonable interval and in our opinion, the coverage and procedure of such verification by the management is appropriate. No discrepancies of 10% or more in the aggregate for each class of inventory were noticed on such physical verification.
- b. As per the information and explanations given to us, the company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns / statements filed by the Company with such banks are in agreement with the books of accounts of the Company other than followings :

(Rs. in Lakhs)

Quarter ending	Balance as per statements		Balance as per books of accounts		Difference	
	Inventory	Book debts	Inventory	Book debts	Inventory	Book debts
Jun-21	3088.85	3094.62	3176.41	3205.09	-87.56	-110.46
Sep-21	2595.48	3,055.46	2641.68	3093.16	-46.20	-37.69
Dec-21	3800.93	3094.79	3814.78	3090.64	-13.85	4.15
Mar-22	3594.37	3056.75	3701.81	3048.39	-107.44	8.36

- (iii) Based on the books of account examined by us and according to information and explanation given to us, the Company has not granted unsecured loans, provided any advance in the nature of loans, or stood guarantee, or provided security during the year. Therefore, the provisions of clause 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.
- (iv) According to information and explanations given to us, no loans granted, investment made, guarantee and security under section 186 and no loan or guarantee or security under section 185 of the Companies Act, 2013 have been given during the year. Therefore, the provisions of clause 3(iv) of the Order are not applicable to the Company.
- (v) The Company has not accepted any deposit or amount which are deemed to be deposits covered under sections 73 to 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) during the year. Therefore, provisions of clause 3(v) of the Order are not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act in respect of the Company's products to which the said rules are applicable and are of the opinion that prima facie, the prescribed records have been made and maintained. We have not, however, made a detailed examination of the said records with a view to determine whether they are accurate or complete.
- (vii) a. According to the records of the Company examined by us, the Company is generally regular in depositing undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-tax, Sales tax, Service tax, Duty of customs, Duty of excise, Value Added tax, Cess and other statutory dues as applicable, with the appropriate authorities except

payment of Income-tax. There were no undisputed outstanding statutory dues as at the yearend for a period of more than six months from the date they became payable.

- b. According to the information and explanation given to us and the records of the Company examined by us, there are no statutory dues referred to in sub-clause (a) on account of any dispute except the followings where amount has been quantified:

Name of Statue	Nature of disputed dues	Amount (Rs. in Lakhs)	Period to which it relates	Forum where dispute is pending
Punjab Value Added Tax, 2005	Penalty	11.67	2014-15	Panchkula Civil Court

(viii) According to the information and explanation given to us, there were no transactions which have not recorded in the books of account, have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Therefore, provisions of clause 3(viii) of the Order are not applicable to the Company.

- (ix) a. The Company has not defaulted in repayment of loan and in the payment of interest thereon during the year.
- b. According to information and explanations given to us, the Company is not declared willful defaulter by any bank or financial institution or other lender.
- c. According to information and explanations given to us, the Company has not taken term loans during the year except existing term loans taken over by other banks.
- d. According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis during the year have been used for long-term purposes by the Company.
- e. The Company has no subsidiaries, joint ventures or associate. Therefore, the provisions of clause 3(ix)(e) and 3(ix)(f) of the Order are not applicable to the Company.
- (x) a. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Therefore, the provisions of clause 3(x)(a) of the Order are not applicable to the Company.
- b. The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Therefore, the provisions of clause 3(x)(b) of the Order are not applicable to the Company.
- (xi) a. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company noticed or reported during the year nor have we been informed of any such case by the management.
- b. According to the information and explanation given to us and to the best of our knowledge, no report under subsection (12) of section 143 of the Companies Act, 2013 has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year.
- c. As reported to us by the management, there are no whistle-blower complaints received by the Company during the year.
- (xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.
- (xiii) As per records of the Company examined by us, transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013, where applicable and details for the same have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- (xiv) a. In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- b. We have considered internal audit reports of the Company issued till date for the period under audit.
- (xv) According to the information and explanations given to us, in our opinion, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them, hence provision of section 192 of the Companies Act, 2013 are not applicable to the Company. Therefore, the provisions of clause 3(xv) of the Order are not applicable to the Company.
- (xvi) a. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore, the provisions of clause 3(xvi)(a) of the Order are not applicable to the Company.

- b. In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Therefore, the provisions of clause 3(xvi)(b) of the Order are not applicable to the Company.
- c. In our opinion, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Therefore, the provisions of clause 3(xvi)(c) of the Order are not applicable to the Company.
- d. According to the representations given to us, there is no CIC as part of the Group. Therefore, the provisions of clause 3(xvi)(d) of the Order are not applicable to the Company.

(xvii) The Company has incurred cash losses of Rs. 207.72 Lakhs in current year however no cash loss was incurred in the immediately preceding financial year.

(xviii) There has been no resignation of statutory auditors during the year. Therefore, the provisions of clause 3(xviii) of the Order are not applicable to the Company.

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

(xx) Unspent CSR amount related to ongoing projects for the year, remained outstanding for transfer to special account in compliance with the provision of section 135(6) of the Companies Act, 2013.

(xxi) The Company does not have subsidiary, associate or joint venture. Therefore, the provisions of clause 3(xxi) of the Order are not applicable to the Company.

For Singhi & Co.  
Chartered Accountants  
Firm Reg. No. 302049E

Date: May 30, 2022  
Place: Noida (Delhi – NCR)

SD/-  
Bimal Kumar Sipani  
Partner  
Membership No. 088926  
UDIN : 22088926AJXKLU3325

Annexure B to Independent Auditor's Report of even date to the members of Kimia Biosciences Limited on the financial statements for the year ended March 31, 2022 (Referred to in paragraph 2(f) of our report on the other legal and regulatory requirements)

We have audited the internal financial controls with reference to financial statements of Kimia Biosciences Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over the 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. 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.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by Institute of Chartered Accountants of India 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, both applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

#### Meaning of Internal Financial Controls with reference to financial statements

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

#### Inherent Limitations of Internal Financial Controls with reference to financial statements

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

#### Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India however same need to be further strengthened.

For Singhi & Co.  
Chartered Accountants  
Firm Reg. No. 302049E

SD/-

Bimal Kumar Sipani  
Partner  
Membership No. 088926  
UDIN : 22088926AJXKLU3325

Date: May 30, 2022  
Place: Noida (Delhi – NCR)

## BALANCE SHEET as at March 31, 2022

	Note	As at March 31, 2022	As at March 31, 2021
(₹ Lakhs)			
<b>ASSETS</b>			
<b>I Non-Current Assets</b>			
(a) Property, Plant and Equipment	3	3,508.23	2,827.25
(b) Capital Work-in-Progress		-	577.01
(c) Right of Use Assets	4	-	-
(d) Intangible Assets	5	14.48	9.52
(e) Deferred Tax Assets (Net)	20	90.83	-
(f) Financial Assets			
(i) Other Financial Assets	6	20.28	17.28
(g) Other Non-current Assets	7	8.30	51.70
<b>Total Non-Current Assets</b>		<b>3,642.12</b>	<b>3,482.76</b>
<b>II Current Assets</b>			
(a) Inventories	8	3,701.81	2,368.72
(b) Financial Assets			
(i) Investments	9	6.04	5.84
(ii) Trade Receivables	10	3,020.14	4,176.57
(iii) Cash and Cash Equivalents	11	20.49	58.66
(iv) Bank balances other than (iii) above	12	31.24	108.73
(v) Other Financial Assets	13	100.73	53.21
(c) Current Tax Assets (Net)	14	77.00	70.12
(d) Other Assets	15	349.57	172.09
<b>Total Current assets</b>		<b>7,307.02</b>	<b>7,013.94</b>
Non-Current Assets Classified as Held for Sale	16	-	170.20
		<b>7,307.02</b>	<b>7,184.14</b>
<b>Total Assets</b>		<b>10,949.14</b>	<b>10,666.90</b>
<b>EQUITY AND LIABILITIES</b>			
<b>I Equity</b>			
(a) Equity Share Capital	17	473.13	473.13
(b) Other Equity	17A	1,015.70	1,370.51
<b>Total Equity</b>		<b>1,488.83</b>	<b>1,843.64</b>
<b>II Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	18	2,444.56	2,834.63
(ii) Other Financial Liabilities	19	488.77	448.41
(b) Deferred Tax Liabilities (Net)	20	-	43.80
(c) Provisions	21	112.07	116.94
(d) Other Non-Current Liabilities	22	234.73	284.66
<b>Total Non-Current Liabilities</b>		<b>3,280.13</b>	<b>3,728.44</b>
<b>III Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	23	1,617.00	1,658.36
(ii) Trade Payables	24		
- Total Outstanding due to Micro and Small Enterprises		19.10	21.10
- Total Outstanding due to other than Micro and Small Enterprises		4,001.52	3,057.54
(iii) Other Financial Liabilities	25	313.00	262.54
(b) Other Current Liabilities	26	224.40	89.99
(c) Provisions	27	5.16	5.29
<b>Total Current Liabilities</b>		<b>6,180.18</b>	<b>5,094.82</b>
<b>Total Equity and Liabilities</b>		<b>10,949.14</b>	<b>10,666.90</b>

Summary of significant accounting policies and other notes on Financial Statements

1 to 51

The accompanying notes are an integral part of these financial statements

As per our report of even date attached

**For Singhi & Co.**

Chartered Accountants  
Firm Reg. No. 302049E

**Sd/-**

**Bimal Kumar Sipani**  
Partner  
Membership No. 088926

Place : Noida (Delhi-NCR)

Date : May 30, 2022

**29<sup>th</sup> Annual Report**

For and on behalf of Board of Directors

Sd/-  
Sameer Goel  
**Managing Director & CEO**  
DIN: 00161786

Sd/-  
Vipul Goel  
**Director**  
DIN: 00064274

Sd/-  
Jagdeep Dhawan  
**Director**  
DIN: 00778235  
Place : New Delhi  
Date : May 30, 2022

Sd/-  
Lakshay Prakash  
**Company Secretary & Compliance Officer**  
M.No. 45366

## Statement of Profit & Loss for the year ended March 31, 2022

(₹ Lakhs except EPS)

	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>I REVENUE</b>			
(a) Revenue from Operations	28	12,490.09	13,271.38
(b) Other Income	29	93.22	245.62
<b>Total Income</b>		<b>12,583.31</b>	<b>13,517.00</b>
<b>II EXPENSES</b>			
(a) Cost of Materials Consumed	30	9,603.31	10,312.59
(b) Changes in Inventories of Finished Goods and Work-in-Progress	31	(376.96)	(627.22)
(c) Employee Benefits Expense	32	1,508.05	1,409.10
(d) Finance Costs	33	364.08	339.00
(e) Depreciation and Amortization Expense	34	294.10	191.06
(f) Other Expenses	35	1,692.55	1,339.03
<b>Total Expenses</b>		<b>13,085.13</b>	<b>12,963.56</b>
<b>III Profit / (Loss) before Tax (I-II)</b>		<b>(501.82)</b>	<b>553.44</b>
<b>IV Tax Expense</b>			
(a) Current Tax		-	-
(b) Deferred Tax Charge / (Credit)	20	(131.52)	43.00
<b>Total Tax Expense</b>		<b>(131.52)</b>	<b>43.00</b>
<b>V Profit / (Loss) for the year (III-IV)</b>		<b>(370.30)</b>	<b>510.44</b>
<b>VI Other Comprehensive income</b>			
(a) (i) Items that will not be reclassified to profit or loss			
- Remeasurement of defined benefit plans		12.38	(3.19)
(ii) Income tax relating to items that will not be reclassified to profit or loss		3.12	(0.80)
(b) (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>Total Other Comprehensive income (a+b)</b>		<b>15.50</b>	<b>(3.99)</b>
<b>VII Total comprehensive income for the year (V+VI)</b>		<b>(354.81)</b>	<b>506.45</b>
<b>VIII Earnings Per Share of ₹ 1 each</b>	36		
(i) Basic (in ₹)		(0.78)	1.08
(ii) Diluted (in ₹)		(0.78)	1.08

Summary of significant accounting policies and other notes on Financial Statements

1 to 51

The accompanying notes are an integral part of the financial statements

As per our report of even date attached

**For Singhi & Co.**

Chartered Accountants  
Firm Reg. No. 302049E

Sd/-

**Bimal Kumar Sipani**

Partner  
Membership No. 088926

**Place : Noida (Delhi-NCR)**

Date : May 30, 2022

For and on behalf of Board of Directors

Sd/- Sameer Goel <b>Managing Director &amp; CEO</b> DIN: 00161786	Sd/- Vipul Goel <b>Director</b> DIN: 00064274
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Sd/- Jagdeep Dhawan <b>Director</b> DIN: 00778235 <b>Place : New Delhi</b> Date : May 30, 2022	Sd/- Lakshay Prakash <b>Company Secretary &amp; Compliance Officer</b> M.No. 45366
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## Statement of Cash Flows for the year ended March 31, 2022

(₹ Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES:</b>		
<b>Net Profit / (Loss) before tax</b>	<b>(501.82)</b>	<b>553.44</b>
<u>Adjustments for:</u>		
Depreciation and amortization expense	294.10	191.06
Net profit on sale/discard of property, plant and equipment	(7.92)	(3.70)
Finance costs	364.08	339.00
Net gain on fair value of investment in mutual funds	(0.20)	(4.12)
Interest income	(3.11)	(5.36)
Deferred revenue income	(49.93)	(101.27)
Unrealised (gain)/loss on foreign currency transactions and translation	(1.43)	(58.77)
	595.59	356.84
<b>Operating Profit Before Working Capital Changes</b>	<b>93.77</b>	<b>910.28</b>
<u>Adjustments for:</u>		
(Increase) / Decrease in inventories	(1,333.10)	(337.49)
(Increase) / Decrease in trade and other receivables	925.05	(534.67)
Increase / (Decrease) in trade and other payables	1,120.85	554.35
	712.80	(317.81)
<b>Cash generated from operations</b>	<b>806.57</b>	<b>592.46</b>
Less : Income tax paid / (refunds) [Net]	(6.89)	4.24
<b>Net Cash From Operating Activities</b>	<b>799.68</b>	<b>596.70</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchases of property, plant and equipments including intangible assets and capital advances	(357.98)	(1,356.08)
Proceeds from sales of property, plant & equipment and assets held for sale	206.67	5.04
Net inflow / (outflow) in fixed deposits	77.49	(54.59)
Interest received	2.79	5.36
Proceeds from sales of current investments	-	39.99
<b>Net Cash Used In Investing Activities</b>	<b>(71.03)</b>	<b>(1,360.27)</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Receipts from non current borrowings	1,234.27	1,665.60
Repayment of non current borrowings	(1,509.87)	(1,299.34)
Net proceeds of current borrowings	168.39	680.64
Finance costs paid	(335.39)	(247.85)
<b>Net Cash Used in Financing Activities</b>	<b>(442.60)</b>	<b>799.05</b>
<b>Net Increase/ (Decrease) in Cash and Cash Equivalents</b>	<b>286.05</b>	<b>35.48</b>
Cash and Cash Equivalents at the beginning of the year	58.66	23.18
<b>Cash and Cash Equivalents at the end of the year (Refer Note 11)</b>	<b>20.49</b>	<b>58.66</b>

### Notes:

- The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in Ind AS – 7 "Statement of Cash Flows"
- As per Ind AS 7, the Company is required to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The Company did not have any material impact on the Statement of Cash Flows therefore reconciliation has not been given.

As per our Report of even date attached.

**For Singhi & Co.**

Chartered Accountants  
Firm Reg. No. 302049E

Sd/-  
**Bimal Kumar Sipani**  
Partner  
Membership No. 088926

Place : Noida (Delhi-NCR)  
Date : May 30, 2022

For and on behalf of Board of Directors

Sd/- Sameer Goel  
**Managing Director & CEO**  
DIN: 00161786

Sd/- Vipul Goel  
**Director**  
DIN: 00064274

Sd/- Jagdeep Dhawan  
**Director**  
DIN: 00778235  
Place : New Delhi  
Date : May 30, 2022

Sd/- Lakshay Prakash  
**Company Secretary & Compliance Officer**  
M.No. 45366



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2022

### **1 Corporate Information**

KIMIA Biosciences Limited referred to as “the Company” is a public limited company incorporated in India with its registered office located at Village Bhonsi, Tehsil Sohna, Distt. Gurgaon -122102, Haryana, India. Equity shares of the Company are listed in India on the BSE Ltd..

The main objective of the Company is to carry on business of Pharamaceutical products. The Company has own manufacturing of Bulk Drugs-APIs at its plant located at Village Bhondsi, Tehsil Sohna, Distt. Gurgaon-122102, Haryana in accordance with Good Manufacturing Practices (GMP) Standards for pharmaceutical production. The Company has also obtained manufacturing license from the State Drugs Controller-cum-Licensing Authority, Food and Drugs Administration, Haryana in order to manufacture final product Bulk Drugs Active Pharmaceutical - (APIs).

The Board of Directors approved the financial statements for the year ended March 31, 2022 and authorised for issue on May 30, 2022.

### **2 Significant Accounting Policies**

#### **2.1 Statement of Compliance**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under section 133 of the Companies Act 2013, read with Companies (Indian Accounting Standard) Rules, 2015, as amended time to time and other accounting principles generally accepted in India.

Accounting Policies have been consistently applied except where a newly issued accounting standards is initially adopted or a revision to an existing accounting standard required a change in the accounting policy hitherto in use.

#### **2.2 Basis of Preparation**

The financial statements have been prepared under the historical cost convention on accrual basis except the following items, which are measured on following basis on each reporting date:

- Non-current borrowings are initially measured at amortized cost.
- Certain financial assets and liabilities (including derivative instruments) that is measured at fair value.
- Defined benefit liability/(assets): present value of defined benefit obligation less fair value of plan assets.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability, if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- **Level 1** inputs are quoted prices /net asset value (unadjusted) in active markets for identical assets or liabilities that the company can access at the measurement date;
- **Level 2** inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- **Level 3** inputs are unobservable inputs for the asset or liability.

#### **2.3 Functional and presentation currency**

These financial statements are presented in Indian National Rupee (₹), which is the Company's functional currency. All amounts have been rounded to the nearest Lakhs, unless otherwise indicated.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2022

### **2.4 Significant accounting Judgements and Estimates**

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

#### **A. Judgements**

Information about the judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements have been given below:

- assessing the lease term (including anticipated renewals) and the applicable discount rate.
- classification of financial assets: assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial assets are solely payments of principal and interest on the principal amount outstanding.

#### **B. Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the financial statements for every period ended is included below:

- Measurement of defined benefit obligations: key actuarial assumptions;
- Recognition of deferred tax assets: availability of future taxable profit against which carry-forward tax losses can be used;
- Impairment test: key assumptions underlying recoverable amounts.
- Useful life and residual value of property, plant and equipment, other intangible assets and Right of Use assets;
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources
- Impairment of financial assets: key assumptions used in estimating recoverable cash flows
- Assessment of recoverability of receivables and advances which requires significant management judgement based on financial position of the counter-parties, market information and other relevant factors.
- In determining the fair value of the mine restoration obligation the Company uses technical estimates to determine the expected cost to restore the mines and the expected timing of these costs. Discount rates are determined based on expected rate of return.
- Uncertainty relating to the global health pandemic

### **2.5 Classification of Assets and Liabilities as Current and Non-Current**

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

An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All the other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities respectively.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2022

### 2.6 Property, Plant and Equipment

#### Recognition and measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost and incidental expenditure during construction incurred up to the date when the assets are ready to use.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as a separate items (major components) of property, plant and equipment. Any gain on disposal of property, plant and equipment is recognised in Statement of Profit and Loss.

#### Subsequent Measurement

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

#### Depreciation

Depreciation is calculated on Straight Line Method using the rates arrived at based on the estimated useful lives given in Schedule II of the Companies Act, 2013. Depreciation on additions to or on disposal of assets is calculated on pro-rata basis. Depreciation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively. Individual assets costing below ₹ 5000 are fully depreciated in the year of purchase.

#### Capital Work-in-Progress

Capital work-in-progress comprises of assets in the course of construction for production or/and supply of goods or services or administrative purposes, are carried at cost, less any recognised impairment loss. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalised where the asset is available for use and commissioning has been completed.

#### Derecognition

Expenditure incurred during the construction period, including all expenditure direct and indirect expenses, incidental and related to construction, is carried forward and on completion, the costs are allocated to the respective property, plant and equipment. Capital work-in-progress are carried at cost, less any recognised impairment loss.

### 2.7 Intangible Assets

Intangible Assets (Other than Goodwill) acquired separately are stated at cost less accumulated amortization and impairment loss, if any. Intangible assets are amortized on straight line method basis over the estimated useful life. Estimated useful life of the Software is considered as 3-10 years. Amortisation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively.

#### Derecognition

An intangible asset is de-recognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit & Loss when the asset is derecognised.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2022

### **2.8 Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets up to the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

The loan origination costs directly attributable to the acquisition of borrowings (e.g. loan processing fee, upfront fee) are adjusted with the proceeds of the borrowings and are amortised on the basis of the Effective Interest Rate (EIR) method over the term of the loan.

All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

### **2.9 Impairment of Non-Financial Assets**

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication on impairment. If any such indication exists, then the recoverable amount of assets is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Unit (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment loss in respect of assets other than goodwill is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years. A reversal of impairment loss is recognised immediately in the Statement of Profit & Loss.

### **2.10 Non-current assets held for sale**

Non-current assets are classified as held-for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated.

### **2.11 Inventories**

Items of inventories are measured at lower of cost and net realizable value after providing for obsolescence, wherever considered necessary except waste/scrap which is valued at net realisable value. Net realizable value is the estimated selling price in the ordinary course of business based on market price at the reporting date and discounted for the time value of money if material, less estimated costs of completion and estimated costs necessary to make the sale. Material and other items held for use in the production of inventories are not written down below costs, if finished goods in which they will be incorporated are expected to be sold at or above cost. Raw materials and spare parts including other items are recorded on weighted average basis.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2022

### 2.12 Revenue Recognition

The majority of the Company's contracts related to product sales include only one performance obligation, which is to deliver products to customers based on orders received.

Revenue from sales of products is recognized at a point in time when control of the products is transferred to the customer, generally upon delivery, which the Company has determined when physical possession, legal title and risks and rewards of ownership of the products transfer to the customer or its agent and the Company is entitled to receive payment. The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreements.

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable (after including fair value allocations related to multiple deliverable and/or linked arrangements), net of returns, GST and applicable trade discounts and allowances. Revenue includes shipping and handling costs billed to the customer.

Interest income are recognised on an accrual basis using the effective interest method.

Dividends are recognised at the time the right to receive payment is established

### 2.13 Foreign Currencies

Transactions in foreign currencies are recorded by the Company at their respective functional currency at the exchange rates prevailing at the date of the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency at the exchange rates prevailing at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit & Loss. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the date of initial transactions. Non-monetary items measure at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

### 2.14 Income Taxes

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in Other Comprehensive Income.

#### i Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if, the Company:

- a) Has a legally enforceable right to set off the recognised amounts; and
- b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### ii Deferred tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2022

### 2.15 Employee Benefits

#### a. Short term employee benefits

Short-term employee benefits are expensed in the year in which the related services are provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

#### b. Defined contribution plans

Employee benefits in the form of Provident Fund are defined as contribution plan and charged as expenses during the period in which the employees perform the services.

#### c. Defined benefits plans

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of Government bonds.

The effect of the remeasurement changes (comprising actuarial gains and losses) to the asset ceiling (if applicable), is reflected in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in other equity and will not be reclassified to the Statement of Profit & Loss. Past service cost is recognised in the Statement of Profit & Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement

The Company presents the first two components of defined benefit costs in the Statement of Profit & Loss in the line item employee benefits expense.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans.

#### d. Other long-term employee benefits

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures at the end of each year, the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date. Actuarial gains/ losses on the compensated absences are immediately taken to the statement of profit and loss and are not deferred. The liability for accumulated leave is provided based on actuarial valuation as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary.

### 2.16 Leases

#### Company as a Lessee

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

The Company recognizes a right-of-use asset and a lease liability at the commencement date, except for short-term leases of twelve months or less and leases for which the underlying asset is of low value, which are expensed in the statement of operations on a straight-line basis over the lease term.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2022

The lease payments that are not paid at the commencement date, are discounted using the interest rate 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 as that of right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments included in the measurement of the lease liability comprise fixed payments, variable payments that depend on an index or rate known at the commencement date, as well as any extension or purchase options, if the Company is reasonably certain to exercise these options. The lease liability is subsequently measured at amortized cost using the effective interest method and remeasured with a corresponding adjustment to the related right-of-use asset when there is a change in future lease payments.

The right-of-use asset comprises, at inception, the initial lease liability, any initial direct costs and, when applicable, the obligations to refurbish the asset, less any incentives granted by the lessors. The right-of-use asset is subsequently depreciated, on a straight-line basis, over the lease term, if the lease transfers the ownership of the underlying asset to the Company at the end of the lease term or, if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, over the estimated useful life of the underlying asset. Right-of-use assets are also subject to testing for impairment if there is an indicator for impairment. Variable lease payments not included in the measurement of the lease liabilities are expensed to the statement of operations in the period in which the events or conditions which trigger those payments occur. In the statement of financial position right-of-use assets and lease liabilities are presented as a separate line in the Balance Sheet.

### **Company as a lessor**

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

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

### **2.17 Provisions, Contingent Liabilities and Contingent Assets**

Based on the best estimate provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable ("more likely than not") that it is required to settle the obligation, and a reliable estimate can be made of the amount of the obligation at reporting date.

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is probable. Major contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of economic resources is remote.

Contingent assets are not recognized in the financial statements but disclosed, where an inflow of economic benefit is probable.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2022

### **2.18 Earnings Per Share**

The basic EPS is computed by dividing the profit after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted EPS, profit after tax for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

### **2.19 Cash and Cash Equivalents**

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Statement of Cash Flow, cash and cash equivalents is as defined above, net of outstanding bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

### **2.20 Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors of the Company has been identified as being the chief operating decision maker by the Management of the Company.

### **2.21 Government Grants**

Grants from the Government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. The benefit of a Government loan at a below-market rate of interest is treated as a Government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates and is being recognised in the Statement of Profit & Loss.

Government grants that compensate the Company for expenses incurred are recognised in the Statement of Profit & Loss, as income or deduction from the relevant expense, on a systematic basis in the periods in which the expense is recognised.

Government grant relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to Statement of Profit & Loss on a systematic basis over the expected lives of the related assets to match them with the cost for which they are intended to compensate and presented within other income.

### **2.22 Fair Value Measurement**

#### **a. Financial instruments**

The estimated fair value of the Company's financial instruments is based on market prices and valuation techniques. Valuations are made with the objective to include relevant factors that market participants would consider in setting a price, and to apply accepted economic and financial methodologies for the pricing of financial instruments. References for less active markets are carefully reviewed to establish relevant and comparable data.

#### **b. Marketable and non-marketable equity securities**

Fair value for listed shares is based on quoted market prices as of the reporting date. Fair value for unlisted shares is calculated based on commonly accepted valuation techniques utilizing significant unobservable data, primarily cash flow-based models.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2022

### c. Derivatives

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

Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss.

### 2.23 Financial Instruments

#### A. Financial Assets

##### **Initial recognition and measurement**

All financial assets are recognised initially at fair value, plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

##### **Classifications**

The Company classifies its financial assets as subsequently measured at either amortised cost or fair value depending on the company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

##### **Business model assessment**

The Company makes an assessment of the objective of a business model in which an asset is held at an instrument level because this best reflects the way the business is managed and information is provided to management.

##### **Financial Assets at amortised cost**

A financial asset is measured at amortised cost only if both of the following conditions are met:

it is held within a business model whose objective is to hold assets in order to collect contractual cash flows.

the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

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

##### **Financial Assets at fair value through Other Comprehensive Income (FVOCI)**

Financial Assets with contractual cash flow characteristics that are solely payments of principal and interest and held in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets are classified to be measured at FVOCI.

##### **Financial Assets at fair value through profit and loss (FVTPL)**

Any Financial Assets, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL. In addition, the Company may elect to classify a Financial assets, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2022

### **B. Equity Instruments**

All equity instruments in scope of Ind AS 109 are measured at fair value. On initial recognition an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in FVTPL. This election is made on an investment-by-investment basis.

All other Financial Instruments are classified as measured at FVTPL.

#### **De-recognition of financial assets**

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

The rights to receive cash flows from the asset have expired, or

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes 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.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in the Statement of Profit & Loss.

### **C. Financial liabilities**

#### **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, amortised cost, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of amortised cost, net of directly attributable transaction costs.

#### **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

#### **Financial Liabilities measured at amortised cost**

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

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2022

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit & Loss.

### **Financial liabilities at fair value through profit or loss (FVTPL)**

Financial liabilities at fair value through Profit & Loss include financial liabilities designated upon initial recognition as at fair value through Profit & Loss. Gains or losses on liabilities held for trading are recognised in the Statement of Profit & Loss.

Financial liabilities designated upon initial recognition at fair value through Profit & Loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/losses are not subsequently transferred to the Statement of Profit & Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Statement of Profit & Loss.

### **Derecognition of financial liabilities**

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

#### **D. Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets. ECL is the weighted-average of difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Company is required to consider:

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

**Trade Receivables:** In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

**Other Financial Assets:** In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2022

### **2.24 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.

### **2.25 Standards issued but not yet effective**

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

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

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2022

### 3. PROPERTY, PLANT AND EQUIPMENT

							(₹ Lakhs)
Property, Plant and Equipment	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipments	Total
<b>Property, Plant and Equipment</b>							
Cost as at April 01, 2020	47.46	327.74	1,541.19	27.13	93.19	51.49	2,088.20
Addition during the year	-	255.03	933.31	143.21	33.23	48.66	1,413.44
Sold/discarded during the year	-	-	-	-	15.37	0.75	16.12
Assets Classified as Held for Sale	-	(66.74)	-	-	-	-	(66.74)
<b>Cost as at March 31, 2021</b>	<b>47.46</b>	<b>516.03</b>	<b>2,474.50</b>	<b>170.34</b>	<b>111.05</b>	<b>99.40</b>	<b>3,418.78</b>
Addition during the year	-	83.94	826.14	36.69	26.81	13.41	986.98
Sold/discarded during the year	-	-	21.02	-	-	1.53	22.55
<b>Cost as at March 31, 2022</b>	<b>47.46</b>	<b>599.97</b>	<b>3,279.62</b>	<b>207.03</b>	<b>137.86</b>	<b>111.28</b>	<b>4,383.21</b>
<b>Accumulated Depreciation</b>							
Accumulated depreciation as at April 01, 2020	-	46.55	285.33	9.68	54.88	30.65	427.10
Depreciation for the year	-	18.18	133.72	8.41	12.53	13.21	186.05
Disposals	-	-	-	-	14.60	0.18	14.78
Assets Classified as Held for Sale	-	(6.85)	-	-	-	-	(6.85)
<b>Accumulated depreciation as at March 31, 2021</b>	<b>-</b>	<b>57.88</b>	<b>419.05</b>	<b>18.09</b>	<b>52.81</b>	<b>43.68</b>	<b>591.52</b>
Depreciation for the year	-	22.53	214.79	17.66	14.60	20.04	289.62
Disposals	-	-	4.84	-	-	1.33	6.18
<b>Accumulated depreciation as at March 31, 2022</b>	<b>-</b>	<b>80.41</b>	<b>629.00</b>	<b>35.75</b>	<b>67.41</b>	<b>62.39</b>	<b>874.96</b>
Net carrying value as on March 31, 2021	47.46	458.15	2,055.44	152.25	58.24	55.72	2,827.25
<b>Net carrying value as on March 31, 2022</b>	<b>47.46</b>	<b>519.55</b>	<b>2,650.62</b>	<b>171.28</b>	<b>70.44</b>	<b>48.90</b>	<b>3,508.23</b>

Notes :

- (i) Assets pledged and hypothecated against borrowings - Refer Note 18 and 23
- (ii) There were no revaluation carried out by the company during the year reported above.
- (iii) During the year, borrowing cost amounting to ₹ 8.54 Lakhs (Previous year ₹ 35.89 Lakhs) has been capitalized by the Company. The capitalization rate used to determine the amount of borrowing costs to be capitalized is weighted average interest rate applicable to the borrowings i.e. 8.7% (Previous year 9.3%).
- (iv) The title deeds of immovable properties are held in the name of the Company.

### 3A : CAPITAL WORK IN PROGRESS

Capital Work in Progress	As at March 31, 2022	Total
Cost as at April 01, 2020	574.39	574.39
Additions	830.27	830.27
Assets capitalised	(827.65)	(827.65)
<b>Cost as at March 31, 2021</b>	<b>577.01</b>	<b>577.01</b>
Additions	409.97	409.97
Assets capitalized	(986.98)	(986.98)
<b>Cost as at March 31, 2022</b>	<b>-</b>	<b>-</b>

(i) Ageing schedule of Capital work in progress :  
As at March 31, 2022

(₹ Lakhs)					
Amount in capital work-in-progress for a period of					
Capital Work in Progress	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Projects in progress	-	-	-	-	-
Projects temporary suspended	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
(₹ Lakhs)					
Amount in capital work-in-progress for a period of					
Capital Work in Progress	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Projects in progress	577.01	-	-	-	577.01
Projects temporary suspended	-	-	-	-	-
<b>Total</b>	<b>577.01</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>577.01</b>

(ii) The Company does not have any project which is overdue or has exceeded its cost compared to its original plan.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2022

(₹ Lakhs)

### 4. RIGHT OF USE ASSETS

<b>Gross Block</b>	<b>Leasehold Land</b>	<b>Total</b>
Cost as at April 01, 2020	-	-
Transfer from property, plant and equipment as per Ind AS 116	118.76	118.76
Addition during the year	-	-
Assets Classified as Held for Sale	(118.76)	(118.76)
Sold/discarded during the year	-	-
<b>Cost as at March 31, 2021</b>	<b>-</b>	<b>-</b>
Addition during the year	-	-
Sold/discarded during the year	-	-
Assets classified as held for sale	-	-
<b>Cost as at March 31, 2022</b>	<b>-</b>	<b>-</b>
<b>Accumulated depreciation</b>	<b>Leasehold Land</b>	<b>Total</b>
Accumulated depreciation as at April 01, 2020	7.08	7.08
Depreciation for the year	1.37	1.37
Assets Classified as Held for Sale	(8.45)	(8.45)
<b>Accumulated depreciation as at March 31, 2021</b>	<b>-</b>	<b>-</b>
Depreciation for the year	-	-
Disposals	-	-
<b>Accumulated depreciation as at March 31, 2022</b>	<b>-</b>	<b>-</b>
<b>Net carrying value as at March 31, 2021</b>	<b>-</b>	<b>-</b>
<b>Net carrying value as on March 31, 2022</b>	<b>-</b>	<b>-</b>

### 5. INTANGIBLE ASSETS

<b>Computer Software</b>	<b>Computer Software</b>	<b>Total</b>
<b>Cost as at April 01, 2020</b>	<b>24.63</b>	<b>24.63</b>
Addition during the year	1.78	1.78
Sold/discarded during the year	-	-
<b>Cost as at March 31, 2021</b>	<b>26.40</b>	<b>26.40</b>
Addition during the year	9.43	9.43
Sold/discarded during the year	-	-
<b>Cost as at March 31, 2022</b>	<b>35.83</b>	<b>35.83</b>
<b>Accumulated amortisation as at April 01, 2020</b>	<b>Computer Software</b>	<b>Total</b>
Amortisation during the year	13.24	13.24
Disposals	3.64	3.64
	-	-
<b>Accumulated amortisation as at March 31, 2021</b>	<b>16.88</b>	<b>16.88</b>
Amortisation during the year	4.48	4.48
Disposals	-	-
<b>Accumulated amortisation as at March 31, 2022</b>	<b>21.36</b>	<b>21.36</b>
<b>Net carrying value as at March 31, 2021</b>	<b>9.52</b>	<b>9.52</b>
<b>Net carrying value as at March 31, 2022</b>	<b>14.48</b>	<b>14.48</b>

**Notes :**

- (i) Assets pledged and hypothecated against borrowings - Refer Note 18 and 23
- (ii) There were no revaluation carried out by the Company during the year reported above.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2022

(₹ Lakhs)

### 6 Other financial assets - Non Current

	As at March 31, 2022	As at March 31, 2021
<b>(Unsecured Considered Good)</b>		
Security deposits	20.28	17.28
	<b>20.28</b>	<b>17.28</b>

### 7 Other assets - Non Current

	As at March 31, 2022	As at March 31, 2021
<b>(Unsecured Considered Good)</b>		
Capital advances	-	48.52
Prepaid expenses	8.30	3.18
	<b>8.30</b>	<b>51.70</b>

### 8 Inventories

*(Valued at lower of cost or net realisable value)*

	As at March 31, 2022	As at March 31, 2021
(a) Raw materials (including packing materials)	1,839.89	861.09
(b) Work-in-progress	734.12	350.06
(c) Finished goods	943.14	950.25
(d) Stores and spares	66.47	41.17
	<b>3,583.62</b>	<b>2,202.57</b>
<b>Goods-in-Transit:</b>		
(a) Raw materials	118.19	166.15
	<b>3,701.81</b>	<b>2,368.72</b>

(a) Inventories are pledged and hypothecated against secured borrowings for details refer Note No.18 & 23.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2022

(₹ Lakhs)

<b>9 Current Investments</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
<b>a. Investments in Equity Instruments (Quoted)</b>		
87 (Previous Year 90) Equity shares of HDFC Bank Limited having face value of ₹ 1 (Previous year ₹ 1)	1.32	1.35
<b>b. Investments in Mutual Funds (Unquoted)</b>		
18650.39 Units (Previous Year - 18650.39 Units) in Baroda Short Term Bond Fund - Plan B Growth	4.71	4.49
	<b>6.04</b>	<b>5.84</b>
<b>Other disclosures</b>		
Aggregate amount of quoted investments and market value thereof	1.32	1.35
Aggregate value of unquoted investments	4.71	4.49
Refer note 41 for determination of fair values of investments.		
<b>10 Trade Receivables</b>		
	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
<b>Unsecured</b>		
Considered good	3,020.14	4,176.57
Credit impaired	28.25	28.25
	<b>3,048.39</b>	<b>4,204.82</b>
Less: Allowance for expected credit losses	28.25	28.25
	<b>3,020.14</b>	<b>4,176.57</b>

- (i) No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Further no trade or other receivables are due from firms or private companies respectively in which any director is a partner a director or a member.
- (ii) For details of receivables from Related Parties Refer Note No. 40
- (iii) Receivable are pledged and hypothecated against secured borrowings Refer Note No. 18 & 23.
- (iv) Trade receivables are non-interest bearing and are generally on terms of 0 to 90 days.

### Reconciliation of receivables outstanding as the beginning and closing of the year are as follows:

	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
<b>Opening Balance</b>	4,176.57	3,732.57
Add: Revenue including reimbursements recognised during the year	12,462.76	13,227.91
Less: Receipts during the year	13,619.19	12,768.25
Less: Amounts written off during the year	-	15.66
<b>Closing Balance</b>	<b>3,020.14</b>	<b>4,176.57</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2022

(₹ Lakhs)

(v) Ageing schedule of trade receivable:

As at March 31, 2022

Particulars	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
<b>Receivable not yet due:</b>						
Undisputed – considered good	2,351.77	-	-	-	-	2,351.77
Undisputed – considered doubtful	-	-	-	-	-	-
Disputed - considered good	-	-	-	-	-	-
Disputed - considered doubtful	-	-	-	-	-	-
<b>Total receivable not yet due</b>	<b>2,351.77</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,351.77</b>
<b>Receivable due:</b>						
Undisputed – considered good	647.19	6.97	8.93	5.27	-	668.36
Undisputed – considered doubtful	-	-	-	-	-	-
Disputed - considered good	-	-	-	-	-	-
Disputed - considered doubtful	-	-	-	11.17	17.08	28.25
<b>Total receivable due</b>	<b>647.19</b>	<b>6.97</b>	<b>8.93</b>	<b>16.44</b>	<b>17.08</b>	<b>696.61</b>
<b>Total receivable</b>	<b>2,998.96</b>	<b>6.97</b>	<b>8.93</b>	<b>16.44</b>	<b>17.08</b>	<b>3,048.39</b>

As at March 31, 2021

Particulars	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
<b>Receivable not yet due:</b>						
Undisputed – considered good	3,394.90	-	-	-	-	3,394.90
Undisputed – considered doubtful	-	-	-	-	-	-
Disputed - considered good	-	-	-	-	-	-
Disputed - considered doubtful	-	-	-	-	-	-
<b>Total receivable not yet due</b>	<b>3,394.90</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,394.90</b>
<b>Receivable due:</b>						
Undisputed – considered good	698.34	31.36	51.96	-	-	781.66
Undisputed – considered doubtful	-	-	-	-	-	-
Disputed - considered good	-	-	-	-	-	-
Disputed - considered doubtful	-	-	11.17	17.08	-	28.25
<b>Total receivable due</b>	<b>698.34</b>	<b>31.36</b>	<b>63.13</b>	<b>17.08</b>	<b>-</b>	<b>809.91</b>
<b>Total receivable</b>	<b>4,093.25</b>	<b>31.36</b>	<b>63.13</b>	<b>17.08</b>	<b>-</b>	<b>4,204.82</b>

### 11 Cash and Cash Equivalents

	As at March 31, 2022	As at March 31 2021
(a) Cash on hand	9.61	2.00
(b) Balance with banks - In current accounts	10.88	56.66
	<b>20.49</b>	<b>58.66</b>

### 12 Other Balances with Banks

	As at March 31, 2022	As at March 31 2021
(a) Earmarked balances with banks -Deposits with original maturity of more than three months but less than twelve months*	31.24	108.73
	<b>31.24</b>	<b>108.73</b>

\* Deposits are pledged with various Government authorities and others.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2022

(₹ Lakhs)

### 13 Other Current Financial Assets - (Current)

	As at March 31, 2022	As at March 31 2021
(Unsecured Considered Good)		
Interest Accrued on deposits	1.84	1.53
Advance to employees	27.64	9.48
Advance to others	3.00	3.00
Export incentives receivables	65.00	39.20
Other receivables	3.26	0.00
	<b>100.73</b>	<b>53.21</b>
Advance to Others with significant increase in credit risk	1.00	1.00
Less: Allowance for expected credit losses	1.00	1.00
	<b>100.73</b>	<b>53.21</b>

### 14 Current Tax Assets (Net)

	As at March 31, 2022	As at March 31 2021
Advance tax (net of tax provisions)	77.00	70.12
	<b>77.00</b>	<b>70.12</b>

### 15 Other Assets - (Current)

	As at March 31, 2022	As at March 31 2021
Prepaid Expenses	31.51	26.15
Advances to Suppliers	21.25	22.94
GST input credit	296.81	123.00
	<b>349.57</b>	<b>172.09</b>
subject to reconciliations		

### 16 Non Current Assets Classified as Held for Sale

	As at March 31, 2022	As at March 31 2021
Leasehold Land and building thereon	-	170.20
	-	170.20

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2022

(₹ Lakhs)

### 17 EQUITY SHARE CAPITAL

	As at March 31, 2022	As at March 31, 2021
<b>A. Authorised:</b>		
(a) 7,73,31,680 (Previous Year 7,73,31,680) Equity Shares of ₹ 1 each	773.32	773.32
(b) 65,18,320 (Previous Year 65,18,320) Compulsory Convertible Preference Shares of ₹ 1 each	65.18	65.18
(c) 80,00,000 (Previous Year 80,00,000) 0.1% Redeemable Non-Convertible Cumulative Preference Shares of ₹ 10 each	800.00	800.00
	<b>1,638.50</b>	<b>1,638.50</b>
<b>B. Issued and Subscribed:</b>		
(a) 473,12,741 (Previous Year 473,12,741) Equity Shares of ₹ 1 each (fully paid up)	473.13	473.13
(b) 80,00,000 (Previous year 80,00,000) 0.1% Redeemable Non-Convertible Cumulative Preference Shares of ₹ 10 each	800.00	800.00
	<b>1,273.13</b>	<b>1,273.13</b>
<b>C. Paid-up:</b>		
(a) 473,12,741 (Previous Year 473,12,741) Equity Shares of ₹ 1 each (fully paid up)	473.13	473.13
	<b>473.13</b>	<b>473.13</b>

#### D. Rights, Preferences and Restrictions :

(a) **Equity shares**

The Company has only one class of equity share having a par value of ₹ 1 each (Previous year ₹ 1 each). Each shareholder is eligible for one vote for every share held and is entitled to dividend declared from time to time. 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, in proportion to their shareholding.

(b) **Compulsory Convertible Preference Shares**

During the previous year the Company has converted 9,58,790 compulsory convertible preference shares into 9,58,790 equity share. After conversion, each holder of equity shares have the same rights as defined in (a) above.

(c) **Redeemable non-convertible cumulative preference shares**

Each preference share holder is eligible for dividend, in case dividend is declared by the company on other class of shares. Preference shares shall rank senior to all present and future preference shares and/or equity shares issued by the Company. 40,00,000 preference shares shall be redeemed at the option of the Company, at any time within a period not exceeding ten years from the date of allotment on May 17, 2016 and balance 40,00,000 preference shares shall be redeemed not exceeding ten years from the date of allotment on October 07, 2019.

In FY 19-20, the Company has issued 40,00,000, 0.1% redeemable non-convertible cumulative preference shares of ₹ 10 upon conversion of loan.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2022

17 Equity share capital

(₹ Lakhs)

E. Reconciliation of number of shares outstanding and the amount of share capital

(a) Equity Shares	As at March 31, 2022		As at March 31, 2021	
	Number of shares	Amount	Number of shares	Amount
Particulars				
Shares outstanding at the beginning of the year	4,73,12,741	473.13	4,63,53,951	463.54
Conversion of CCPS into equity shares (Refer Note 17(D)(b))	-	-	9,58,790	9.59
Shares outstanding at the end of the year	4,73,12,741	473.13	4,73,12,741	473.13

(b) Compulsory Convertible Preference Shares	As at March 31, 2022		As at March 31, 2021	
	Number of shares	Amount	Number of shares	Amount
Particulars				
Shares outstanding at the beginning of the year	-	-	9,58,790	9.59
Conversion of CCPS into equity shares during the year (Refer Note 17(D)(b))	-	-	(9,58,790)	(9.59)
Shares outstanding at the end of the year	-	-	-	-

(c) 0.1% Redeemable Non-Convertible Cumulative Preference Shares	As at March 31, 2022		As at March 31, 2021	
	Number of shares	Amount	Number of shares	Amount
Particulars				
Shares outstanding at the beginning of the year	80,00,000	800.00	80,00,000	800.00
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	80,00,000	800.00	80,00,000	800.00

F. Details of the Shares held by each shareholder holding more than 5% shares

(a) Equity Shares	As at March 31, 2022		As at March 31, 2021	
	Number of shares held	% of holding	Number of shares held	% of holding
Particulars				
1. Mr. Sameer Goel	3,01,37,381	63.70%	3,01,37,381	63.70%
2. Late Sachin Goel	53,18,380	11.24%	53,18,380	11.24%
<b>Total</b>	<b>3,54,55,761</b>	<b>74.94%</b>	<b>3,54,55,761</b>	<b>74.94%</b>

(b) Redeemable Non-Convertible Cumulative Preference Shares	As at March 31, 2022		As at March 31, 2021	
	Number of shares held	% of holding	Number of shares held	% of holding
Particulars				
1. Enkay Foam Private Limited	80,00,000	100.00%	80,00,000	100.00%
<b>Total</b>	<b>80,00,000</b>	<b>100.00%</b>	<b>80,00,000</b>	<b>100.00%</b>

(c) Details of the Promoters Equity Shareholding (Equity Shares)	As at March 31, 2022			As at March 31, 2021		
	Number of shares held	% of Shares	% Change during the year	Number of shares held	% of holding	% Change during the year
Particulars						
Mr. Sameer Goel	3,01,37,381	63.70%	0.00%	3,01,37,381	63.70%	2.78%
Late Sachin Goel	53,18,380	11.24%	-	53,18,380	11.24%	-
Mrs. Santosh Goel	16	0.00%	-	16	0.00%	-
Mrs. Vandana Goel	16	0.00%	-	16	0.00%	-
Late Ved Prakash Goel	16	0.00%	-	16	0.00%	-
Mr. Vipul Goel	16	0.00%	-	16	0.00%	-
Mrs. Deepa Goel	16	0.00%	-	16	0.00%	-
<b>Total</b>	<b>3,54,55,841</b>	<b>74.94%</b>	<b>0.00%</b>	<b>3,01,37,381</b>	<b>74.94%</b>	<b>2.78%</b>

17A OTHER EQUITY

(₹ Lakhs)

	As at March 31, 2022	As at March 31, 2021
<b>a) Security premium</b>		
Balance as at the beginning of the year	608.52	608.52
Changes during the year	-	-
<b>Balance as at the end of the year</b>	<b>608.52</b>	<b>608.52</b>
<b>b) Retained earnings</b>		
Balance as at the beginning of the year	761.99	255.54
Profit for the year	(370.30)	510.44
Other comprehensive income/(loss) for the year *	15.50	(3.99)
<b>Balance as at the end of the year</b>	<b>407.18</b>	<b>761.99</b>
<b>Total other equity</b>	<b>1,015.70</b>	<b>1,370.51</b>

\* Includes Re-measurement gain/(loss) on defined benefit plans amounting to ₹ 15.50 Lakhs [Previous year ₹ (3.99) Lakhs]

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2022**

**18 Non-Current Borrowings**

₹ Lakhs

	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
	<b>Non Current Portion</b>		<b>Current Maturities</b>	
<b>(a) Secured</b>				
(i) Term loan from banks	358.00	956.52	128.06	341.48
(ii) Car loans from a bank	31.36	18.26	7.90	4.23
<b>(b) Unsecured</b>				
(i) Loans from Companies	1,040.00	1,114.65	-	-
(ii) Loans from directors	1,015.20	745.20	-	-
	<b>2,444.56</b>	<b>2,834.63</b>	<b>135.96</b>	<b>345.71</b>
Less : Current maturities of long term loans from banks (Note 23)			135.96	345.71
Less : Current maturities of long term loans from body corporates (Note 23)			-	-
<b>(Total i+ii)</b>	<b>2,444.56</b>	<b>2,834.63</b>	<b>-</b>	<b>-</b>

**A. Secured Loans**

- a. Term Loan ₹ NIL (Previous year ₹ 406.63 lakhs) taken in earlier years from M/s State Bank of India Limited, repayable in 84 monthly instalments beginning from September, 2018 with interest rate is 2.25% over MCLR per annum. The loan was secured by equitable mortgage over the lands ("immovable properties") situated at Bhondsi Village, District- Gurugram, Haryana and RICO Bhiwadi, District-Alwar, Rajasthan, India and interests therein, first charge over the entire plant and equipment of the Company. Further secured by way of equitable mortgage over residential villa situated at Goa, owned by the Managing Director. This loan was pre-paid during the year being taken over by HDFC Bank Limited in December, 2021.
- b. Term loan ₹ NIL (Previous year ₹ 445.43 lakhs) and ₹ NIL (Previous year ₹ 96.79 lakhs) taken in earlier years M/s HDFC Bank Limited repayable in 60 monthly instalments beginning from July, 2019 with interest rate 1.25% over 1 Year MCLR from December, 2020. The loan was secured by a primary security of immovable property situated in Delhi of relative of a director and collateral security by way of personal guarantee of two directors and a relative of directors. These term loans were pre-paid in March, 2022.
- c. The Company has availed :
  - a. GECL loan of ₹ NIL (Previous year ₹ 179.00 lakhs) from M/s State Bank of India Limited, repayable in 36 EMIs post 12 months moratorium at interest rate @7.40% per annum,
  - b. CECL loan of ₹ NIL (Previous year ₹ 66.64 lakhs) from M/s State Bank of India Limited, repayable in 18 EMIs post 6 months moratorium at interest rate @7.40% per annum
 Above loan were pre-paid during the year being taken over by HDFC Bank Limited.
- d. The Company has availed :
  - a. GECL loan of ₹ NIL (Previous year ₹ 103.50 lakhs) from M/s HDFC Bank Limited, repayable in 36 EMIs post 12 months moratorium at interest rate @8.25% per annum,
  - b. Term loan of ₹ NIL (Previous year ₹ 96.80 lakhs) from M/s HDFC Bank Limited, repayable in 60 EMIs at interest rate @8.50% per annum.
 Above loan were pre-paid during the year.
- e. The outstanding in various credit limits facilities sanctioned M/s State Bank of India Limited were taken over by M/s HDFC Bank Limited and sanctioned various credit limit facility aggregating ₹ 5086.50 lakhs on November 10, 2021.
- f. Term loan of ₹ 339.60 lakhs (Previous year ₹ NIL) availed from M/s HDFC Bank Limited which is repayable in 53 monthly installments beginning from December, 2021 at interest rate @ 7% per annum. GECL term loan ₹ 146.46 Lakhs (Previous year ₹ NIL) repayable in 34 monthly installments with interest rate of 7.5% p.a. taken from M/s HDFC Bank Limited. The loans are secured by equitable mortgage over the lands ("immovable properties") situated at Bhondsi Village, District- Gurugram, Haryana., and first charge over the entire plant and equipment of the Company.
- g. Car loans from HDFC bank are secured by hypothecation of cars purchased there under and carries interest rate of ranging 7.00% to 8.30% (previous year 7.70% to 8.30%) per annum which are repayable in 60 monthly instalments beginning from date of respective loan.

**B. Unsecured Loans**

- i. Loans from compaines carries interest rate 8% to 8.15% (Previous Year : 9% to 9.5% per annum) per annum and repayable after March 2023.
- ii. Loan from directors carries interest at 6% p.a. (Previous Year : 6% per annum) and repayable after March 2023.

**19 Other Financial Liabilities**

	As at March 31, 2022	As at March 31, 2021
80,00,000 (Previous Year 80,00,000) 0.1% Redeemable non-convertible cumulative preference shares of Rs. 10 each \$	488.77	448.41
	<b>488.77</b>	<b>448.41</b>

\$ Also Refer Note 17

**20 Deferred Tax Liabilities/ Asset (Net)**

	As at March 31, 2022	As at March 31, 2021
<b>Deferred Tax Liabilities :</b>		
(i) Property, plant and equipment, other intangible assets and right of use assets	157.21	119.07
(ii) Others	0.05	0.16
<b>Total</b>	<b>157.26</b>	<b>119.23</b>
<b>Deferred Tax Assets :</b>		
(i) Expenses allowable on payment basis under the Income Tax Act	37.73	38.99
(ii) Others	4.91	5.13
(iii) Unabsorbed Depreciation and Carried forward tax losses	205.46	31.32
<b>Total</b>	<b>248.10</b>	<b>75.43</b>
<b>Net Deferred Tax Liability/ (Assets)</b>	<b>(90.83)</b>	<b>43.80</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2022**

**Movement in Deferred Tax Liabilities / (Assets)**

Particulars	As at March 31, 2021	Recognised in P&L	Recognised in OCI	As at March 31, 2022
<b>Deferred Tax liability being tax impact on -</b>				
Property, plant and equipment	119.07	38.14		157.21
Others	0.16	(0.11)		0.05
<b>Sub total (a)</b>	<b>119.23</b>	<b>38.03</b>	<b>-</b>	<b>157.26</b>
<b>Deferred Tax Assets being tax impact on -</b>				
Unabsorbed Depreciation and Carried forward tax losses	31.32	174.14	-	205.46
Others	12.24	(7.33)	-	4.91
Expenses allowed on payment basis	31.88	2.74	3.12	37.73
<b>Sub total (b)</b>	<b>75.43</b>	<b>169.55</b>	<b>3.12</b>	<b>248.10</b>
<b>Net Deferred Tax Liability / (Assets) (a)-(b)</b>	<b>43.80</b>	<b>(131.52)</b>	<b>(3.12)</b>	<b>(90.83)</b>

Particulars	As at March 31, 2020	Recognised in P&L	Recognised in OCI	As at March 31, 2021
<b>Deferred Tax liability being tax impact on -</b>				
Property, plant and equipment	116.19	2.88	-	119.07
Others		0.16	-	0.16
<b>Sub total (a)</b>	<b>116.19</b>	<b>3.04</b>	<b>-</b>	<b>119.23</b>
<b>Deferred Tax Assets being tax impact on -</b>				
Unabsorbed Depreciation and Carried forward tax losses	87.13	(55.81)	-	31.32
Others	5.54	6.70	-	12.24
Expenses allowed on payment basis	23.52	9.16	(0.80)	31.88
<b>Sub total (b)</b>	<b>116.19</b>	<b>(39.95)</b>	<b>(0.80)</b>	<b>75.43</b>
<b>Net Deferred Tax Liability (a)-(b)</b>	<b>-</b>	<b>43.00</b>	<b>0.80</b>	<b>43.80</b>

The Company has recognised deferred tax assets on unabsorbed depreciation, carried forward tax losses. The Company has unabsorbed depreciations and incurred tax losses due to substantial expansion in earlier years. The Company has concluded that the deferred tax assets on unabsorbed depreciations and carried forward tax losses will be recoverable using the estimated future taxable income based on the business plans and budgets. The Company is expected to generate taxable income in near future. Unabsorbed depreciation and Tax losses can be carried forward for specific period as per tax regulations and the Company expects to recover the same within prescribed period.

**21 Long Term Provisions**

	As at March 31, 2022	As at March 31, 2021
Provision for Employee Benefits (Refer Note No.38)	112.07	116.94
	<b>112.07</b>	<b>116.94</b>

**22 Other Non-Current Liabilities**

	As at March 31, 2022	As at March 31, 2021
Deferred Revenue		
-Arising on fair valuation of interest free borrowings and preference shares	234.73	284.66
	<b>234.73</b>	<b>284.66</b>

**23 Borrowings - (Current)**

	As at March 31, 2022	As at March 31, 2021
<b>Secured</b>		
Cash Credit Facility from a bank	1,481.04	1,312.65
Current Maturities of Long Term Loans from Banks		
a) from Bank	135.96	345.71
	<b>1,617.00</b>	<b>1,658.36</b>

(i) Above loans are secured by way of equitable mortgage over the lands ("immovable properties") situated at Bhondsi Village, District- Gurugram, Haryana and interests therein, first charge over the current and future inventories, book debts of the company. and also by way of personal guarantee of Managing Director.

(ii) The Company has submitted following quarterly returns/statements are in agreement with the books of accounts of the Unit other than the followings:

Quarter ending	Balance as per statements		Balance as per Books of Accounts		Difference		Remarks
	Inventory	Book debts	Inventory	Book debts	Inventory	Book debts	
Jun-21	3088.85	3094.62	3176.41	3205.09	-87.56	-110.46	The differences are because, the statements filed with the lenders are based on financial statements prepared on provisional basis and also due to audit/accounting adjustment entries carried out subsequently.
Sep-21	2595.48	3,055.46	2641.68	3093.16	-46.20	-37.69	
Dec-21	3800.93	3094.79	3814.78	3090.64	-13.85	4.15	
Mar-22	3594.37	3056.75	3701.81	3048.39	-107.44	8.36	

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2022**

**24 Trade Payables**

	As at March 31, 2022	As at March 31, 2021
(a) Total Outstanding due to Micro and Small Enterprises	19.10	21.10
(b) Total Outstanding due to other than Micro and Small Enterprises	4,001.52	3,057.53
	<b>4,020.62</b>	<b>3,078.64</b>

(i) Based on the information available as identified by the management there are certain vendors who have confirmed that they are covered under the Micro, Small and Medium Enterprises Development Act, 2006. Disclosures relating to dues of Micro and Small enterprises under section 22 of The Micro, Small and Medium Enterprises Development Act, 2006, are given below:

The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year		
- Principal amount due to micro and small enterprises	16.56	18.99
- Interest due on above	2.54	2.11
The amount of interest paid by the buyer under MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
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 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of accounting year; and	0.42	1.13
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	2.11	0.98

(ii) For details of payables from related parties, refer note no. 40  
 (iii) Refer note 45(b).

**(iii) Trade Payable ageing**

As at March 31, 2022

Particulars	Not due	Outstanding for following periods from transaction date				Sub total	Total
		Less than 1 year	1 - 2 years	2-3 years	More than 3 years		
<b>Trade payable</b>							
(i) MSME	16.34	0.65	2.11	-	-	2.76	19.10
(ii) Others	1,854.48	2,142.32	1.52	0.43	2.77	2,147.04	4,001.52
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
<b>Total Payable</b>	<b>1,870.82</b>	<b>2,142.96</b>	<b>3.63</b>	<b>0.43</b>	<b>2.77</b>	<b>2,149.80</b>	<b>4,020.62</b>

As at March 31, 2021

Particulars	Not due	Outstanding for following periods from transaction date				Sub total	Total
		Less than 1 year	1 - 2 years	2-3 years	More than 3 years		
<b>Trade payable</b>							
(i) MSME	-	20.12	0.98	-	-	21.10	21.10
(ii) Others	2,062.98	991.07	1.66	1.61	0.22	994.56	3,057.54
(iii) Disputed dues – MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
<b>Total Payable</b>	<b>2,062.98</b>	<b>1,011.19</b>	<b>2.64</b>	<b>1.61</b>	<b>0.22</b>	<b>1,015.66</b>	<b>3,078.64</b>

(iv) The Company considers its maximum exposure to liquidity risk with respect to vendors as at March 31, 2022 to be ₹ 4020.62 Lakhs (Previous Year ₹ 3078.64 Lakhs).

**25 Other Financial Liabilities**

	As at March 31, 2022	As at March 31, 2021
Interest accrued on borrowings	123.84	95.15
Capital creditors	68.67	43.60
Employee emoluments	120.49	123.79
	<b>313.00</b>	<b>262.54</b>

**26 Other Current Liabilities**

	As at March 31, 2022	As at March 31, 2021
Contract Liabilities : Advances from customers	120.00	11.44
Statutory Dues	47.59	28.62
Deferred Revenue		
- Arising on fair valuation of interest free borrowings and preference shares	49.93	49.93
Others*	6.89	-
	<b>224.40</b>	<b>89.99</b>

\* Liability towards CSR expenditure

**27 Short Term - Provisions**

	As at March 31, 2022	As at March 31, 2021
Provision for Employee Benefits (Refer Note No.38)	5.16	5.29
	<b>5.16</b>	<b>5.29</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2022

### 28 Revenue from Operations:

(₹ Lakhs)

	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Sale of Goods</b>		
Pharmaceutical drugs	12,462.76	13,227.91
<b>Other Operating Income</b>		
Export incentives	27.33	43.47
	<b>12,490.09</b>	<b>13,271.38</b>

28.1 Refer note 48

### 29 Other Income:

	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest income	3.11	5.36
Deferred revenue income	49.93	101.27
Net gain on foreign currency transactions and translations	24.10	130.89
Net gain on fair value of investment in mutual funds	0.20	4.12
Net Profit on sale/discard of property, plant and equipment	7.92	3.70
Unspent liabilities written back	-	0.16
Miscellaneous income*	7.97	0.12
	<b>93.22</b>	<b>245.62</b>

Miscellaneous income includes scrap material sold during the year.

### 30 Cost of Materials Consumed:

	For the year ended March 31, 2022	For the year ended March 31, 2021
Chemicals and packing materials	9,603.31	10,312.59
	<b>9,603.31</b>	<b>10,312.59</b>

### 31 Changes in Inventories of Finished Goods and Work-in-Progress

	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Inventories as at March 31, 2022</b>		
Work-in-progress	734.12	350.06
Finished goods	943.14	950.25
<b>Total (A)</b>	<b>1,677.26</b>	<b>1,300.31</b>
<b>Inventories as at March 31, 2021</b>		
Work-in-progress	350.06	334.18
Finished goods	950.25	338.91
<b>Total (B)</b>	<b>1,300.31</b>	<b>673.09</b>
<b>Decrease / (Increase) in Inventories (B-A)</b>	<b>(376.96)</b>	<b>(627.22)</b>

### 32 Employee Benefit Expenses

	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, wages and bonus etc.	1,344.42	1,285.05
Gratuity expense	22.85	24.43
Contribution to provident and other funds	61.39	48.96
Staff welfare expenses	79.39	50.66
	<b>1,508.05</b>	<b>1,409.10</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2022

### 33 Finance Costs

	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Interest on borrowings	318.66	283.74
(b) Unwinding charges on preference shares and interest free borrowings	40.36	91.15
(c) Other borrowing costs	13.60	-
	372.62	374.89
Less: Capitalized/ transferred to CWIP	8.54	35.89
	<b>364.08</b>	<b>339.00</b>

### 34 Depreciation and Amortization Expense

	For the year ended March 31, 2022	For the year ended March 31, 2021
(a) Depreciation of property, plant and equipment	289.62	186.05
(b) Depreciation on right of use assets	-	1.37
(c) Amortisation of intangible assets	4.48	3.64
	<b>294.10</b>	<b>191.06</b>

### 35 Other Expenses

	For the year ended March 31, 2022	For the year ended March 31, 2021
Consumption of stores and spares	119.76	146.18
Job charges	-	9.28
Power and fuel	653.99	454.04
Insurance	14.59	15.15
Laboratory and testing	122.21	142.82
Rent	23.94	22.76
Rates and taxes	9.44	6.16
<b>Repair and Maintenance</b>		
Machinery	52.65	57.13
Others	67.69	51.85
Travelling and conveyance	92.58	77.19
Legal and professional	165.13	97.42
Advertisement and business promotion	179.77	115.33
Auditor's remuneration #		
As auditors	4.00	4.00
For limited review	1.80	1.80
For Tax audit	1.00	1.00
For GST audit	-	0.75
For Issuing certificates and others	1.38	2.94
Reimbursement of expenses	0.43	0.61
Bad debts and advances written off	-	15.66
CSR expenditure	6.89	-
Miscellaneous	175.31	116.96
	<b>1,692.55</b>	<b>1,339.03</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2022

(₹ in Lakhs except EPS)

### 36 Earnings per share

		For the year ended March 31, 2022	For the year ended March 31, 2021
<b>A. Basic earning per share</b>			
Profit/ (Loss) for the year	₹	(370.30)	510.44
Nominal value of equity shares	₹	1.00	1.00
No of shares at the beginning of the year	Numbers	4,73,12,741	4,63,53,951
Add: Issued during the year	Numbers	-	9,58,790
No of shares at the end of the year	Numbers	4,73,12,741	4,73,12,741
Weighted average number of equity shares *	Numbers	4,73,12,741	4,73,12,741
<b>Basic earnings per share of ₹ 1 each</b>	<b>₹</b>	<b>(0.78)</b>	<b>1.08</b>
<b>B. Diluted earning per share</b>			
Weighted average number of equity shares	Numbers	4,73,12,741	4,73,12,741
<b>Total weighted average number of equity shares</b>		<b>4,73,12,741</b>	<b>4,73,12,741</b>
Profit/ (Loss) attributable to equity shareholders		(370.30)	510.44
Weighted average number of equity shares *	Numbers	4,73,12,741	4,73,12,741
<b>Diluted earnings per share of ₹ 1 each</b>	<b>₹</b>	<b>(0.78)</b>	<b>1.08</b>

\*There have been no transactions involving Equity shares or Potential Equity shares between the reporting date and the date of approval of these financial statements that would have an impact on the outstanding weighted average number of equity shares as at the year end.

### 37 Contingent Liabilities, Contingent Assets and Capital Commitments (as identified by the Company)

		As at March 31, 2022	As at March 31, 2021
<b>A. Contingent liabilities (not provided for) in respect of:</b>			
<b>Claim against the Company not acknowledged as debts</b>			
- Demand raised by VAT department for various matters		11.67	11.67
<b>Total</b>		<b>11.67</b>	<b>11.67</b>

**Note :** The Company does not expect the outcome of these proceeding to have a materially adverse effect on its financial position. The Company does not expects any payment in respect of the above contingent liabilities.

### B. Capital Commitments

		As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account [net of advances]		-	104.25
<b>Total</b>		<b>-</b>	<b>104.25</b>

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2022

### 38 Employee benefits

#### A. Defined Contribution Plans

**Provident and other Funds** : During the year, the Company has recognised ₹ 61.39 Lakhs (previous year ₹ 48.96 Lakhs) as contribution to Employee Provident and other Funds in the Statment of Profit and Loss.

#### B. Defined Benefit Plans - Gratuity

Each employee rendering continuous service of 5 years or more is entitled to receive gratuity amount equal to 15 days of the monthly emoluments for every completed year of service subject to maximum of ₹ 20 Lakhs at the time of separation from the company.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2022. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for defined benefit plans:

	(₹ Lakhs)	
	Current Year	Previous Year
<b>(i) Reconciliation of fair value of plan assets and defined benefit obligation:</b>		
Fair value of plan assets	-	-
Defined benefit obligation	97.60	96.96
<b>Net assets / (liability) recognised in the Balance Sheet at year end</b>	<b>(97.60)</b>	<b>(96.96)</b>
<b>(ii) Changes in the present value of the defined benefit obligation are, as follows:</b>		
<b>Defined benefit obligation at beginning of the year</b>	<b>96.96</b>	<b>73.88</b>
Current service cost	16.27	19.41
Interest expense	6.59	5.02
Benefits paid	(9.84)	(4.53)
Actuarial (gain)/ loss arising on obligations due to change in demographic assumptions	-	-
Actuarial (gain)/ loss arising on obligations due to change in financial assumptions	(3.89)	-
Actuarial (gain)/ loss arising on obligations due to change in experience adjustments	(8.50)	3.19
<b>Defined benefit obligation at year end</b>	<b>97.60</b>	<b>96.96</b>
<b>(iii) Amount recognised in Statement of Profit and Loss:</b>		
Current service cost	16.27	19.41
Net interest expense	6.59	5.02
<b>Amount recognised in Statement of Profit and Loss</b>	<b>22.86</b>	<b>24.43</b>
<b>(iv) Amount recognised in Other Comprehensive Income:</b>		
Actuarial (gain)/ loss on obligations	(12.38)	3.19
Return on plan assets (excluding amounts included in net interest expense)	-	-
<b>Amount recognised in Other Comprehensive Income</b>	<b>(12.38)</b>	<b>3.19</b>
<b>(v) The Company has no plan assets.</b>		
<b>(vi) The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:</b>		
Discount rate (in %)	7.18%	6.80%
Salary Escalation (in %)	5.50%	5.50%
Expected average working lives of employees (in years)	58	58
Expected average remaining working lives of employees (in years)	22.26	21.80

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2022

### 38 Employee benefits

(vii) A quantitative sensitivity analysis for significant assumption are given as below :

Sensitivity Level	(₹ Lakhs)			
	As at March 31, 2022		As at March 31, 2021	
	+ 0.5%	- 0.5%	+ 0.5%	- 0.5%
Effect of change in discount rate	(4.99)	5.39	(5.17)	5.61
Effect of change in salary escalation	5.45	(5.09)	5.15	(4.78)

- a. The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.
- b. Sensitivities due to mortality and withdrawals are insignificant, hence ignored. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.
- c. Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

(viii) Maturity profile of defined benefit obligation :

	(₹ Lakhs)	
	Current Year	Previous Year
Within next twelve months	3.49	2.75
Between one to five years	11.79	15.48
Beyond five years	82.34	78.74
(ix) Weighted average duration (in years)	17.25	17.27
(x) Expected next year contribution	29.92	31.85

(xi) **Description of Risk Exposures:**

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such the Company is exposed to various risks as follow -

- A) Salary Increases- Higher than expected increase in salary will increase the defined benefit obligation.
- B) Discount Rate – Reduction in discount rate in subsequent valuations can increase the plan's liability.
- C) Mortality & disability – Actual deaths & disability cases proving lower or higher than assumption in the valuation can impact the liabilities.
- D) Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can

### 39 Segment Reporting

According to Ind AS 108, identification of operating segments is based on Chief Operating Decision Maker (CODM) approach for making decisions about allocating resources to the segment and assessing its performance. The business activity of the company falls within one broad business segment viz. "Pharmaceuticals" and substantially sale of the product is within the country. Hence, the disclosure requirement of Ind AS 108 of 'Segment Reporting' is not considered applicable. The secondary segment is geographical, information related to which is given as under:

	As at March 31, 2022			As at March 31, 2021		
	Outside		Total	Within India	Outside India	Total
	Within India	India				
Sales (gross)	10,188.07	2,274.69	12,462.76	11,790.91	1,437.00	13,227.91

The Company has common assets for producing goods for domestic market and overseas market.

- (b) One customer individually account for more than 10% of the revenue in the year ended March 31, 2022 and March 31, 2021.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2022

(₹ in Lakhs)

### 40 Related Parties

#### A Related parties and their relationships (as identified by the management)

##### i) Key Managerial Personnel (KMP) and their relatives

Name	Relationship
Mr. Sameer Goel	Managing Director and Chief Executive Officer
Mr. Vipul Goel	Director
Mr. Jagdeep Dhawan <sup>^</sup>	Independent Director
Mrs. Richa Gupta <sup>^</sup>	Independent Director
Mrs. Vandana Goel	Wife of Managing Director
Mr. Arnav Goel	Son of Managing Director
Mr. Ved Prakash Goel	Father of Managing Director
Mrs. Santosh Goel	Mother of Managing Director
Mr. Sanjay Gupta	Chief Financial Officer (till 31.10.2021)
Mr. Abhishek Pandey	Company Secretary (till 26.11.21)

<sup>^</sup> KMP under Ind AS

##### ii) Entity in which KMP and their relatives has significant influence (where transactions have taken place)

Biotavia Labs Pvt Ltd.  
S G Bullion Impex Pvt Ltd.

#### B Transactions with the above in the ordinary course of business

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>a) Remuneration to Key Managerial Personnel</b>		
- Short Term Employee Benefits	81.53	96.64
-Defined Contribution Plan	0.48	0.65
<b>b) Remuneration to Relatives of Key Managerial Personnel</b>		
- Short Term Employee Benefits	4.06	14.78
-Defined Contribution Plan	0.07	0.22

Excludes provision in respect of gratuity, leave encashments etc. as the same is determined on an actuarial basis for company as whole.

<b>c) Conversion of CCPS to equity</b>		
Mr. Sameer Goel	-	9.59
<b>d) Purchase of goods</b>		
Biotavia Labs Pvt Ltd.	1,159.89	-
<b>e) Interest Paid/credited</b>		
Mr. Sameer Goel	37.94	25.78
S G Bullion Impex Pvt Ltd.	57.80	61.82
Mr. Vipul Goel	10.21	-
<b>f) Loan received</b>		
Mr. Sameer Goel	170.00	493.00
Mr. Vipul Goel	750.00	125.00
Biotavia Labs Pvt Ltd.	170.00	420.00
S G Bullion Impex Pvt Ltd.	50.00	30.00

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2022

(₹ in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>g) Loan repaid</b>		
Mr. Sameer Goel	190.00	79.00
Biotavia Labs Pvt Ltd.	170.00	655.51
Mr. Vipul Goel	460.00	-
<b>h) Also refer note 21 for gurantee related transactions</b>		

### C Balances Outstanding

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Mr. Sameer Goel</b>		
- Unsecured loan payable	600.20	620.20
- Interest Payable	34.15	25.78
- Remuneration payable	4.62	2.21
<b>Mr. Vipul Goel</b>		
- Unsecured loan payable	415.00	125.00
- Interest Payable	9.19	
<b>Mrs. Vandana Goel</b>		
- Remuneration payable	-	1.02
<b>Mr. Arnav Goel</b>		
- Remuneration payable	0.98	-
<b>Mr. Sanjay Gupta</b>		
- Recievable	-	4.28
<b>Biotavia Labs Pvt Ltd.</b>		
- Payable	1,029.89	-
<b>S G Bullion Impex Pvt Ltd.</b>		
- Unsecured loan payable	730.00	680.00
- Interest Payable	52.02	61.82

Terms and conditions related to Outstanding balances :

- 1) Trade and others receivables are receivable in cash within 30 days of the due date and are unsecured.
- 2) All outstanding payables are unsecured and payable in cash.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2022

### 41 Financial Instruments

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

(₹ Lakhs)

	As at March 31, 2022		As at March 31, 2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>(a) Measured at fair value through Profit and Loss</b>				
<b>Financial assets</b>				
Investments- Current	6.04	6.04	5.84	5.84
	<b>6.04</b>	<b>6.04</b>	<b>5.84</b>	<b>5.84</b>
<b>(b) Measured at amortized cost</b>				
<b>(i) Financial assets</b>				
Other financial Assets				
- Non Current	20.28	20.28	17.28	17.28
- Current	100.73	100.73	53.21	53.21
Trade receivables	3,020.14	3,020.14	4,176.57	4,176.57
Cash and cash equivalents	20.49	20.49	58.66	58.66
Bank balances other than cash and Cash equivalents	31.24	31.24	108.73	108.73
<b>Total Financial assets at amortised cost (A)</b>	<b>3,192.88</b>	<b>3,192.88</b>	<b>4,414.46</b>	<b>4,414.46</b>
<b>(ii) Financial liabilities</b>				
<b>Measured at amortized cost</b>				
Borrowings				
- Non Current	2,444.56	2,444.56	2,834.63	2,834.63
- Current (including current maturities of long term borrowings)	1,617.00	1,617.00	1,312.65	1,312.65
Trade payables	4,020.62	4,020.62	3,078.66	3,078.66
Other financial Liabilities				
- Non Current	488.77	488.77	448.41	448.41
- Current	313.00	313.00	636.87	636.87
<b>Total</b>	<b>8,883.95</b>	<b>8,883.95</b>	<b>8,311.22</b>	<b>8,311.22</b>

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

The fair value of the financial assets and liabilities is 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.

### B) Fair value hierarchy

The fair value of financial instruments as referred to in note (A) above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities [Level 1] measurements] and lowest priority to unobservable inputs [Level 3 measurements].

The categories used are as follows:-

**Level 1:** Quoted prices for identical instruments in an active market;

**Level 2:** Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2022

**Level 3:** Inputs which are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a net asset value or valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

### a) Financial assets and liabilities measured at fair value - recurring fair value measurements

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

- (a) recognised and measured at fair value and
- (b) measured at amortised cost.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

#### (i) Financial Instruments measured at FVTPL

(₹ Lakhs)

As at 31st March 2022	Level 1	Level 2	Level 3	Total
<b>Assets at fair value</b>				
- Equity Shares	1.32	-	-	1.32
- Mutual funds	4.72	-	-	4.72

As at 31st March 2021	Level 1	Level 2	Level 3	Total
<b>Assets at fair value</b>				
- Equity Shares	1.35	-	-	1.35
- Mutual funds	4.49	-	-	4.49

#### (ii) Financial Instruments measured at amortised cost

As at 31st March 2022	Level 1	Level 2	Level 3	Total
- Preference shares	-	-	488.77	488.77

As at 31st March 2021	Level 1	Level 2	Level 3	Total
- Preference shares	-	-	448.41	448.41

### b) Valuation process and technique used to determine fair value

The fair value of investments in quoted equity shares and mutual funds are based on the current bid price of respective investment as at the balance sheet date.

In case of preference shares, the Company has used valuation report of external valuer. Valuation was derived using discounted cash flow method which was based on present value of the expected future economic benefit.

### c) Fair value measurements using significant unobservable inputs (level 3)

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows, these fair values are calculated using Level 3 inputs:

Type of Financial Instruments	Fair Value as at		Discounting Rate	Significant unobservable inputs	Sensitivity
	March 31, 2022	March 31, 2021			
Preference shares	488.77	448.41	9% (previous year 9%)	Risk-adjusted discount rate	Change of (+) 50 / (-) 50 basis points - Fair value would change by 1.00 Lakhs respectively

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2022

(₹ in Lakhs)

### 42 Financial risk management objectives and policies

#### Risk Management Framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the processes to ensure that executive management controls risks through the mechanism of properly defined framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed by the board annually to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Audit Committee oversees compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Company has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk

#### Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities. The carrying amount of financial assets represents the maximum credit exposure. The Company monitor credit risk very closely in domestic market. The Management impact analysis shows credit risk and impact assessment as low.

#### Trade and other receivables:

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

The Management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes market check, industry feedback, past financials and external ratings, if they are available. Sale limits are established for each customer and reviewed periodically.

The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables.

In monitoring customer credit risk, customers are reviewed according to their credit characteristics, including whether they are an individual or a legal entity, their geographic location, industry and existence of previous financial difficulties. The ageing analysis of the receivables has been considered from the date the invoice falls due:

Particulars	Receivable not yet due:	Past due				(₹ lakhs)
		Less than 6 months	6 months -1 year	More than 1 Year	Total	
As at March 31, 2022	2,351.77	647.19	6.97	42.45	3,048.39	
As at March 31, 2021	3,394.90	698.34	31.36	80.21	4,204.82	

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

Particulars	As at March 31, 2022	As at March 31, 2021	(₹ lakhs)
Balance at the beginning	28.25	11.50	
Impairment loss recognised	-	16.75	
Balance at the end	28.25	28.25	

During the year, the Company has made write-offs ₹ Nil (Previous year ₹ 16.75 Lakhs ) of trade receivables, it does not expect to receive future cash flows or recoveries from collection of cash flows previously written off. The Company management also pursue all legal option for recovery of dues wherever necessary based on its internal assessment.

#### Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected future cash flows. This is generally carried out in accordance with practice and limits set by the Company. These limits vary by location to take into account requirement, future cash flow and the liquidity in which the entity operates. In addition, the Company's liquidity management strategy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

#### Financing Arrangement

The cash credit facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in Indian rupee and have an average maturity within a year.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2022

(₹ in Lakhs)

### Maturity profile of Financial liabilities

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	< 1 year	1-3 years	3-5 years	> 5 years	Total
<b>Year ended March 31, 2022</b>					
Borrowings	1,617.00	389.36	2,055.20	-	4,061.56
Trade payables	4,020.62	-	-	-	4,020.62
Other financial liabilities	313.00	-	-	800.00	1,113.00
	<b>5,950.61</b>	<b>389.36</b>	<b>2,055.20</b>	<b>800.00</b>	<b>9,195.18</b>
<b>Year ended March 31, 2021</b>					
Borrowings	1,658.36	643.97	2,190.66	-	4,492.99
Trade payables	3,078.64	-	-	-	3,078.64
Other financial liabilities	291.16	-	-	800.00	1,091.16
	<b>5,028.15</b>	<b>643.97</b>	<b>2,190.66</b>	<b>800.00</b>	<b>8,662.79</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: currency risk, interest rate risk and other price risk, such as commodity price risk and equity price risk. Financial instruments affected by market risk include trade payables, trade receivables, borrowings, etc.

### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company is exposed to interest rate risk because Company borrows funds at both floating interest rates. These exposures are reviewed by appropriate levels of management. The Company regularly monitors the market rate of interest to mitigate the risk exposure. The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows.

	As at March 31, 2022			As at March 31, 2021		
	Increase / Decrease in basis	Effect on profit before tax	Effect on equity after tax	Increase / Decrease in	Effect on profit	Effect on equity after tax
Borrowings from banks and others	+0.5%	(10.03)	(7.51)	+0.5%	(13.17)	(9.85)
Borrowings from banks and others	-0.50%	10.03	7.51	-0.50%	13.17	9.85

### Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to foreign currency risk primarily related to raw purchase purchases. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

### Exposure to Foreign Currency

The Company has not entered into derivative instruments to hedge their foreign currency contracts. Foreign currency exposure that are not hedged by a derivative instrument as at Balance Sheet are as follows

	Currency	As at March 31, 2022			As at March 31, 2021		
		Amount in Foreign Currency	Amount	Conversion Rate	Amount in Foreign Currency	Amount	Conversion Rate
<b>Unhedged Exposure</b>							
Trade Receivables	USD	1.73	131.09	75.81	4.13	301.53	73.04
Trade Payables	USD	(17.22)	(1,305.15)	75.81	(20.01)	(1,461.73)	73.04
<b>Total</b>		<b>(15.49)</b>	<b>(1,174.06)</b>		<b>(15.88)</b>	<b>(1,160.20)</b>	

### Foreign currency sensitivity

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (₹). The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD and small exposure in EURO. The risk is measured through a forecast of highly probable foreign currency cash flows.

	Currency	As at March 31, 2022		As at March 31, 2021		
		Profit and Loss	Equity, after tax	Profit and Loss	Equity, after tax	
<b>USD sensitivity</b>						
INR/USD- increase by 10%*	USD	USD	-1.55	-1.59	-1.16	-1.59
INR/USD- decrease by 10%*	USD	USD	1.55	1.59	1.16	1.59

\*Holding all other variables constant

**Commodity price risk**

Commodity price risk for the Company is mainly related to fluctuations in chemical prices linked to various external factors, which can affect the production cost of the Company. Since, the Production costs is one of the primary costs drivers, any adverse fluctuation in chemical prices can lead to drop in operating margin. To manage this risk, the Company places orders, identifying new sources of supply etc. There are no derivatives available for requisite chemicals, in the absence, has to be procured at spot prices. Additionally, processes and policies related to such risks are reviewed and controlled by senior management and requirement are monitored by the procurement team.

**43 Capital Management**

For the purpose of the Company's capital management, capital includes issued equity capital, security premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There were no changes were made in the objectives, policies or processes for managing capital during the period under reporting.

(₹ Lakhs)

	As at March 31, 2022	As at March 31, 2021
Equity Share Capital	473.13	473.13
Other Equity	1,015.70	1,370.51
<b>Shareholders' Fund</b>	<b>1,488.83</b>	<b>1,843.64</b>
Non Current Borrowings	2,444.56	2,834.63
0.1% Redeemable Non-Convertible Cumulative Preference Shares of Rs. 10 each	723.51	733.07
Current Borrowings	1,617.00	1,658.36
<b>Total debts</b>	<b>4,785.06</b>	<b>5,226.07</b>
Less:-Cash & Cash Equivalents	20.49	58.66
<b>Net debts</b>	<b>4,764.57</b>	<b>5,167.40</b>
<b>Capital &amp; Net Debts</b>	<b>6,253.41</b>	<b>7,011.04</b>
<b>Debt Equity Ratio</b>	<b>3.21</b>	<b>2.83</b>
<b>Capital Gearing Ratio</b>	<b>76.19%</b>	<b>73.70%</b>
<b>44 Tax expense</b>		
<b>(a) Reconciliation of effective tax</b>		
	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Net profit/(loss) before tax</b>	<b>(501.82)</b>	<b>553.44</b>
At India's statutory income tax rate of 25.168% (Previous year:25.16)	(126.30)	139.29
<b>Non-deductible expenses for tax purposes:</b>		
(a) Tax effect of items not deductible	(5.22)	5.85
(b) Tax effect of items brought forward losses and other items	-	(102.14)
(c) Income tax related to earlier years	-	-
<b>Tax expense reported in the statement of profit and loss</b>	<b>(131.52)</b>	<b>43.00</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2022**

(₹ in Lakhs)

**45 Other Notes**

Balances of certain trade receivables, advances, trade payables and other liabilities are in the process of confirmation and/or reconciliation.

**46 Recognition of In house Reserch & Development Facility and Expenses incurred:**

The Company has set up state of art Reserch & Development centre with the Registered Office Primises but in a separate building/unit at Village: Bhondsi, Tehsil: Sohna, District : Gurgaon, Haryana for development of new Product/processes, improvement in existing product process for cost reduction & to develop new APIs. The same set up was established in 2014-15 at Bhiwadi and subsequently shifted in late 2016 to Gurgaon. The said Facility is duly recognised & approved by Department of Scientific and Industrial Research (DSIR) vide Registration No. TU/IV-RD/4410/2018 dated 22/01/2019. The Company has maintained separate accounts for its R&D Facility and proper recored have been mainted as per the Income Tax Rules & as prescribed by DSIR in this regard.

Details of Capital and Revenue expenditure incurred during the year are given below and the same are grouped with respective heads of accounts in Note 3 to 5 and Note 28 to 35 to financial statements.

<b>a) Revenue Expenditure (as identified by the management)</b>		<b>(₹ Lakhs)</b>
<b>Particulars</b>	<b>Year Ended March 31, 2022</b>	<b>Year Ended March 31, 2021</b>
Chemicals & Consumables consumed	101.35	121.37
Employee benefits expense	343.35	339.42
Administration expenses-allocated	117.47	99.18
Depreciation	75.76	56.05
<b>Grand Total</b>	<b>637.92</b>	<b>616.02</b>
<b>b) Capital Expenditure (as identified by the management)</b>		<b>(₹ Lakhs)</b>
<b>Particulars</b>	<b>Year Ended March 31, 2022</b>	<b>Year ended March 31, 2021</b>
Building	-	22.95
Plant and Machinery	45.35	217.80
Furniture and fixtures	0.89	12.02
Computers	0.28	16.15
Office equipments	-	0.81
Intangible Asset	6.03	-
<b>Grand Total</b>	<b>52.55</b>	<b>269.73</b>

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2022**

(₹ in Lakhs)

**47 Leases**

**As a Lessee**

- (i) There are no income from subleasing right-of-use assets nor any gains or losses from sales and leaseback for the year ended March 31, 2022.
- (ii) There are no variable lease payments for the year ended March 31, 2022.
- (iii) The Company recognizes the expenses of short-term leases on a straight-line basis over the lease term. The expenses related to short-term leases are ₹ 23.33 Lakhs for the year ended March 31, 2022 (Previous year ₹ 22.76 lacs).

**48 Disclosure under Ind AS 115**

- (i) Reconciliation of contract price vis a vis revenue recognised in the statement of profit and loss is as follows:

Particulars	For the year ended March 31, 2022	Year ended March 31, 2021
<b>Contract price</b>		
(i) Sales of products	12,490.09	13,271.38
<b>Adjustments:</b>		
Less : Discount/rebate/ incentives	-	-
<b>Revenue recognised in statement of profit and loss</b>	<b>12,490.09</b>	<b>13,271.38</b>

- (ii) Significant changes in the contract assets and the contract liabilities balances during the year are as follows:

Particulars	For the year ended March 31, 2022	Year ended March 31, 2021
(a) <b>Trade Receivables (Gross)</b>	3,048.39	4,204.82
(b) <b>Contract Assets</b>	-	-
(c) <b>Movement of contract liability :</b>		
Opening balance	11.44	31.44
Less : Revenue recognized/Written off during the year from opening balance	0.08	31.44
Add : Advance received during the year not recognized as revenue	108.64	11.44
<b>Amounts included in contract liabilities at the end of the year</b>	<b>120.00</b>	<b>11.44</b>

- (d) Contract liabilities include amount received from customers as per the terms of purchase/sales order to deliver goods. Once the goods are completed and control is transferred to customers the same is adjusted accordingly.
- (iii) The above revenues have been recognised at point of time.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2022

Note 49 Other Disclosures

(₹ Lakhs)

**a Ratios and their Elements as per the requirements of Schedule III to Companies Act 2013**

SN	Particulars	Numerator		Denominator		As at March 31, 2021	As at March 31, 2022	% of variance	Explanation for change in the ratio by more than 25%
		Current Assets	Current Liabilities	Shareholder's Equity	Debt service				
a	Current ratio					1.38	1.18	-14.12	
b	Debt-equity ratio	Total Debt	Shareholder's Equity			2.44	2.73	11.94	
c	Debt service coverage ratio	Earning for Debt Service	Debt service			0.59	0.17	-72.13	Due to decrease in profit for the year
d	Return on equity ratio	Net Profits after taxes	Average Shareholder's Equity			32.09%	-22.22%	-169.24	Due to decrease in profit for the year
e	Inventory turnover ratio	Sales	Average inventory			4.40	3.04	-30.95	Due to inventory related to new R&D products under stabilisation
f	Trade receivables turnover ratio	Net Sales	Average trade debtors			3.36	3.47	3.43	
g	Trade payables turnover ratio	Net Purchases	Average Trade Payables			3.46	3.01	-12.94	
h	Net capital turnover ratio	Net Sales	Working Capital			6.92	11.08	60.28	Due to decrease in working capital
i	Net profit ratio	Net Profits after taxes	Net Sales			3.85%	-2.96%	-177.08	Due to decrease in profit for the year
j	Return on capital employed	Earning before interest and taxes	Capital Employed			13.65%	-4.64%	-133.99	Due to decrease in profit for the year
k	Return on investment	Dividend or gain on sale of investments	Average investments			4%	1%		- Due to decrease in fair value of investments

**b Details of Benami Property held:**

There are no proceedings which have been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

**c Willful Defaulter:**

The Company has not been declared as Willful Defaulter by any Bank or Financial Institution or other Lender.

**d Relationship with Struck off Companies :**

During the year, the Company does not have any transactions with the companies struck off under section 248 of Companies Act, 2013.

**e Compliance with number of layers of companies:**

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

**f Utilisation of Borrowed funds and share premium:**

During the financial year ended March 31, 2022, other than the transactions undertaken in the normal course of business and in accordance with extant regulatory guidelines as applicable.

(i) No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) No funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

**g Undisclosed Income:**

The Company does not have any transactions not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961). Also, there are nil previously unrecorded income and related assets.

**h Details of Crypto Currency or Virtual Currency:**

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

**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED March 31, 2022**

(₹ in Lakhs)

**50 Corporate Social Responsibility**

	For the year ended March 31, 2022	For the year ended March 31, 2021
(i) Amount required to be spent by the company during the year	6.89	-
(ii) Amount of expenditure incurred	-	-
(iii) Shortfall at the end of the year	6.89	-
(iv) Total of previous years shortfall	-	-
(v) Reason of shortfall	Please refer note below <sup>^</sup>	-
(vi) Nature of CSR activities	-	-
(vii) Details of related party transactions	-	-
(viii) Movement Provision made for contractual obligation	-	-

<sup>^</sup>**Note:** The CSR committee and Board of Directors in the meeting held on March,29,2022 has decided to spend CSR funds in the ongoing project of cleaning and water conservation of Damdama Lake and in the areas near vicinity of the manufacturing plant of the Company through "Ram Sarup Goela Memorial Charitable Trust". The CSR funds will be utilised in a period of three years.

51 Previous year's figures have been regrouped/ recasted wherever necessary to conform to the current year's Classification.

As per our report of even date attached

**For Singhi & Co.**

Chartered Accountants

Firm Reg. No. 302049E

Sd/-

**Bimal Kumar Sipani**

Partner

Membership No. 088926

**Place : Noida (Delhi-NCR)**

Date : May 30, 2022

For and on behalf of Board of Directors

Sd/-

Sameer Goel

**Managing Director & CEO**

DIN: 00161786

Sd/-

Jagdeep Dhawan

**Director**

DIN: 00778235

**Place : New Delhi**

Date : May 30, 2022

Sd/-

Vipul Goel

**Director**

DIN: 00064274

Sd/-

Lakshay Prakash

**Company Secretary &**

**Compliance Officer**

M.No. 45366

