

**INDEPENDENT AUDITORS' REPORT****TO THE MEMBERS OF PINNACLE LIFE SCIENCE PRIVATE LIMITED****Report on the Audit of the Financial Statements****Opinion**

We have audited the accompanying financial statements of Pinnacle Life Science Private Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit and total comprehensive income, changes in equity and its cash flows 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 ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's 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.

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

The Company's Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Board Report including Annexures to Board Report and other Shareholder Information but does not include the financial statements and our auditor's report thereon.





Our opinion on the financial statements does not cover the other information and we 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. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance 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, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give 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.

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

### **Auditors' 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 scepticism 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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.

### **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 in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.







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

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

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of 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 (Refer note no 29 of the financial statements: Contingent liabilities and Commitments).
- ii. The Company did not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.
- iii. There were no amounts 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 as disclosed in note no 44 g to the financial statements, 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;
  - (b) The Management has represented, that, to the best of its knowledge and belief as disclosed in note no 44 h to the financial statements, 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;

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

v.

- a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
- b) The Company has not declared or paid interim dividend during the year.
- c) The Board of Directors of the Company have not proposed any final dividend for the year.

For Gokhale & Sathe  
Chartered Accountants  
Firm Reg. No.: 103264W



Tejas Parikh  
Partner  
Membership No: 123215  
UDIN: 22123215AIOBLO5766  
Place: Mumbai  
Date: 6 May 2022





## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Pinnacle Life Science Private Limited of even date)

- i. In respect of the Company's Property Plant and Equipment and Intangible Assets:
  - a) (A)The Company has maintained proper records showing full particulars including quantitative details and situation of its Property Plant and Equipment and Capital work in progress.  
(B)The Company has maintained proper records showing full particulars of intangible assets.
  - b) The Company has a regular program of verification of Property, Plant and Equipment, capital work in progress so to cover all the items once every 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. No material discrepancies were noticed on such verification which were not properly dealt with in the books of accounts in the current year.
  - c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed and communication with competent authorities provided to us, we report that, the title deeds of self-constructed buildings and title deeds of all immovable properties (other than properties where the Company is lessee and lease agreements are duly executed in favour of the Company), disclosed in the financial statements included under Property Plant and Equipment are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land that have been taken on lease and disclosed separately in Property Plant & Equipment in the financial statements, the lease agreements are in the name of the Company.
  - d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
  - e) No proceedings have been initiated during the year or are pending against the Company as at 31 March 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii.
  - a) Physical verification of inventory has been conducted at reasonable intervals by the management and in our opinion, the coverage and procedure of such verification by the management is appropriate; Discrepancies noticed were less than 10% for each class of inventory, all material discrepancies have been properly dealt with in the books of accounts.





- b) The Company has working capital limits in excess of five crore rupees, from banks on the basis of security of current assets; the difference between the quarterly returns or statements filed by the company with the banks and books of account of the Company are on account of explainable items and not material in nature (Refer note no 44 (b) to the financial statements)
- iii. During the year the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms limited liability partnerships or any other parties and hence reporting under clauses 3(iii)(a) (b) (c), (d),(e) and (f) are not applicable.
- iv. The Company has not granted any loans, made investments, provided guarantees and securities and hence compliance with provisions of section 185 and 186 of the Act is not applicable.
- v. The Company has not accepted deposits from the public or amounts which are deemed to be deposits from the public during the year and hence the directives issued by the Reserve Bank of India and the provision of section 73 to 76 any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regards to the deposits accepted from the public are not applicable.
- vi. We have broadly reviewed the accounts and records maintained by the Company pursuant to rules made by the Central Government for the maintenance of cost records under Section 148 (1) of the Act, in respect of Company's products to which the said rules are made applicable and are of the opinion that, prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of records with a view to determine whether they are accurate.
- vii. In respect of statutory dues:
- a) According to the information and explanation given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including the provident fund, employees' state insurance, income tax, goods and services tax, sales tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable have been regularly deposited during the year with appropriate authorities. There were no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
- b) There were no arrears in respect of provident fund, employees' state insurance, income tax, goods and services tax, sales tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues on account of dispute except as stated below.







Name of Statute	Nature of dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount ₹ in Lakhs
Income Tax Act 1961.	Income Tax Demand	Dy. Comm. of Income Tax	AY 2014-15 to AY 2018-19	171.88
CGST Act 2017	CGST Demand	The Asst. Comm. of CGST & Central Excise	FY 2017-18	21.17
CGST Act 2017	CGST Demand and Penalty	Add. Comm. (Appeals) Goods and Services Tax	FY 2017-18	9.24
HPGST Act 2017	HPGST Demand and Penalty	Add. Comm. (Appeals) Goods and Services Tax	FY 2017-18	9.24

- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961)
- ix.
- In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender.
  - The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
  - In our opinion and according to information and explanations given to us, the Company has utilised the money obtained by way of term loans during the year for the purposes for which they were obtained.
  - On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
  - The Company does not have any subsidiaries, associates or joint ventures and hence provision of clause 3(ix) (e) is not applicable.
  - The Company does not have any subsidiaries, associates or joint ventures and hence provision of clause 3(ix)(f) is not applicable.





- x.
- a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
  - b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi.
- a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
  - b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
  - c) As represented to us by the Management, there are no whistle blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv.
- a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
  - b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.







- xvi.
- a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a) (b) and (c) of the Order is not applicable.
  - b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of Sub-section (6) of Section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.





- xxi. The Company is not required to prepare consolidated financial statements and hence reporting under clause 3(xxi) of the Order is not applicable.

For Gokhale & Sathe  
Chartered Accountants  
Firm Reg. No.: 103264W

Tejas Parikh  
Partner

Membership No: 123215  
UDIN: 22123215AIOBLO5766  
Place: Mumbai  
Date: 6 May 2022







## **ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Pinnacle Life Science Private Limited of even date)

### **Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Pinnacle Life Science Private Limited ("the Company") as of 31 March 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 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

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

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





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

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

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

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

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







### Opinion

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

For Gokhale & Sathe  
Chartered Accountants  
Firm Reg. No.: 103264W

Tejas Parikh  
Partner

Membership No: 123215  
UDIN: 22123215AIOBLO5766  
Place: Mumbai  
Date: 6 May 2022



**M/s PINNACLE LIFE SCIENCE PRIVATE LIMITED**

Balance Sheet as at 31st March 2022

(Amount in Rs. Lakhs)

Particulars	Note No.	As on 31 Mar 22	As on 31 Mar 21
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant and Equipment	1	4,042.90	3,473.38
(b) Capital work-in-progress	1.2	505.03	-
(c) Other Intangible assets	1	8.39	14.51
(d) Intangible assets under development	2	1,206.64	330.47
<b>Financial Assets</b>			
(f) Investments	3	0.50	0.50
(e) Other non-current assets	4	491.95	219.67
<b>Total non-current assets</b>	<b>A</b>	<b>6,255.41</b>	<b>4,038.53</b>
<b>(2) Current assets</b>			
(a) Inventories	5	3,749.53	2,493.47
<b>(b) Financial Assets</b>			
(i) Trade receivables	6	6,565.08	7,098.39
(ii) Cash and cash equivalents	7	9.60	6.55
(iii) Bank balances other than (ii) above	8	1,921.22	556.52
(iv) Loans	9	54.18	109.54
(v) Other financial assets	10	-	18.62
(c) Other current assets	11	2,289.23	1,249.72
(d) Current Tax Assets (Net)		-	44.88
<b>Total current assets</b>	<b>B</b>	<b>14,588.84</b>	<b>11,577.70</b>
<b>Non current Asset held for sale</b>	<b>C</b>	<b>-</b>	<b>-</b>
<b>Total Assets</b>	<b>A+B+C</b>	<b>20,844.26</b>	<b>15,616.23</b>
<b>EQUITY AND LIABILITIES</b>			
<b>(1) EQUITY</b>			
(i) Equity Share capital	12	778.28	778.28
(ii) Other Equity	13	6,440.41	5,337.30
<b>Total equity</b>	<b>A</b>	<b>7,218.69</b>	<b>6,115.57</b>
<b>LIABILITIES</b>			
<b>(2) Non-current liabilities</b>			
<b>(a) Financial Liabilities</b>			
(i) Borrowings	14	2,017.00	-
(b) Provisions (Projected Benefit Obligation)		71.92	54.43
(c) Deferred tax liabilities (Net)		238.64	216.68
<b>Total non-current liabilities</b>	<b>B</b>	<b>2,327.55</b>	<b>271.11</b>
<b>(3) Current liabilities</b>			
<b>(a) Financial Liabilities</b>			
(i) Borrowings	15	328.84	1,503.00
(ii) Trade payables	16		
Total outstanding dues of micro enterprises and small Total outstanding dues of creditors other than micro enterprises and small enterprises		277.97 7,665.71	427.39 5,200.96
(iii) Other financial liabilities		-	-
(b) Other current liabilities	17	2,185.64	527.20
(c) Provisions	18	805.79	1,570.99
(d) Current Tax Liabilities (Net)		34.06	-
<b>Total current liabilities</b>	<b>C</b>	<b>11,298.01</b>	<b>9,229.54</b>
<b>Total Equity and Liabilities</b>	<b>A+B+C</b>	<b>20,844.26</b>	<b>15,616.23</b>

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

Notes to the Financial Statements

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AS PER OUR REPORT OF EVEN DATE.

For Gokhale & Sathe  
Chartered Accountants  
Firm Registration No: 103264W

For and on Behalf of the Board of Directors of  
Pinnacle Life Science Private Limited

(Vishwa H Savia)  
Managing Director  
DIN: 03619810

(Harit P Shah)  
Director  
DIN: 00005501

(Tejas Parikh)

Partner

Membership No: 123215





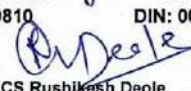
PLACE : Mumbai

DATE: 06-05-2022



CS Rushikesh Deole  
(Company Secretary)  
PLACE : Mumbai  
DATE: 06-05-2022



<b>M/s PINNACLE LIFE SCIENCE PRIVATE LIMITED</b>				
Statement of Profit and Loss for the Year ended 31-March-2022				
(Amount in Rs. lakhs)		Yearly Financials		
	Particulars	Note No.	For the Year ended Mar-22	For the Year ended Mar-21
I	Revenue From Operations		28,371.63	28,469.95
II	Other Income	19	748.42	24.02
III	<b>Total Income (I+II)</b>		<b>29,120.05</b>	<b>28,493.97</b>
IV	<b>EXPENSES:</b>			
	Cost of materials consumed	20	18,802.34	13,823.19
	Purchases of Stock-in-Trade		5,025.53	6,807.32
	Changes in inventories of finished goods, Stock-in -Trade and work-in-progress		-814.00	-263.64
	Employee benefits expense	21	1,336.27	1,101.01
	Finance costs	22	51.35	34.88
	Depreciation and amortization expense	23	265.65	228.79
	Other expenses	24	2,828.65	3,358.02
			-	-
	<b>Total expenses (IV)</b>		<b>27,495.78</b>	<b>25,089.57</b>
V	<b>Profit/(loss) before exceptional items and tax (I- IV)</b>		<b>1,624.26</b>	<b>3,404.40</b>
VI	Exceptional Items		-	-
VII	<b>Profit/(loss) before tax (V-VI) (PBT)</b>		<b>1,624.26</b>	<b>3,404.40</b>
VIII	Income Tax expenses:		445.93	861.56
	(1) Current tax		423.97	849.71
	(2) Deferred tax		21.96	4.24
	(3) MAT Credit Reversal		-	7.61
IX	<b>Profit / (Loss) for the year (PAT)</b>		<b>1,178.33</b>	<b>2,542.84</b>
	Other Comprehensive income:			
	Items that will not be reclassified to statement of profit and loss			
	(i) Re-measurements of projected benefit obligation (net)		2.61	0.09
X	<b>Other comprehensive income/(loss) for the year</b>		<b>2.61</b>	<b>0.09</b>
XI	<b>Total comprehensive income for the year (IX+X)</b>		<b>1,180.94</b>	<b>2,542.93</b>
XII	Earnings per equity share of face value of Rs 10 each			
	Basic (Rs/share)		15.14	32.67
	Diluted (Rs/share)		15.14	32.67
The accompanying notes form an integral part of these standalone financial statements				
Notes to the Financial Statements		25 to 45		
<b>AS PER OUR REPORT OF EVEN DATE.</b> For Gokhale & Sathe Chartered Accountants Firm Registration No: 103264W		For and on Behalf of the Board of Directors of Pinnacle Life Science Private Limited		
 (Tejas Parikh) Partner Membership No: 123215 PLACE : Mumbai DATE: 06-05-2022		 (Vishwa H Savla) Managing Director DIN: 03619810		
		 (Harit P Shah) Director DIN: 00005501		
		 CS Rushikesh Deole (Company Secretary) PLACE : Mumbai DATE: 06-05-2022		

**M/s PINNACLE LIFE SCIENCE PVT LTD**  
CASH FLOW STATEMENT FOR YEAR ENDED 31st MARCH 2022

(Amount in Rs. lakhs)

S.No	Particulars	FOR THE YEAR ENDED 31st Mar 2022	FOR THE YEAR ENDED 31st Mar 2021
<b>1</b>	<b>Cash Flow from Operating Activities:</b>		
	Net Profit before Tax and Extraordinary items (PBT)	1,624.26	3,404.40
	<b>ADJUSTMENT FOR:</b>		
	Depreciation & Amortisation	265.65	228.79
	Provision for Bad & doubtful Debts / Bad debts	93.08	80.17
	Unrealised foreign exchange (gain)/loss (net)	-38.48	-
	Interest Paid	51.35	34.88
	Interest Received	-6.47	-16.47
	Extraordinary Items	-	-
	Operating Profit before Working Capital Changes	1,989.39	3,731.78
	(Increase)/Decrease in Trade & Other Receivables	-407.88	-3,290.68
	(Increase)/Decrease in Inventories	-1,256.07	-653.05
	Increase/(Decrease) in Trade Payables & Other Current Liabilities	3,161.07	1,393.24
	Cash generated from operation	3,486.51	1,181.29
	Less: Direct Taxes Paid (including TDS)	-328.38	-890.00
	<b>Net Cash Flow from Operating Activities A</b>	<b>3,158.13</b>	<b>291.29</b>
<b>2</b>	<b>Cash Flow from Investing Activities:</b>		
	(Increase)/Decrease in intangible assets under development & CWIP	-1,381.19	-206.00
	Sale/(Purchase) of Fixed Asset	-829.06	-492.47
	Sale of Sikkim Plant (Non current assets held for sale)	-	455.00
	(Increase)/Decrease in Loans Advances (Inc in capital advances)	-300.27	-47.54
	Interest Received	6.47	16.47
	Dividend Received	-	-
	<b>Net Cash Flow from Investing Activities B</b>	<b>-2,504.05</b>	<b>-274.54</b>
<b>3</b>	<b>Cash Flow from Financing Activities:</b>		
	Proceeds/(Repayment) of Long Term Borrowings (Term loans)	2,017.00	-741.65
	Proceeds/(Repayment) of Short Term Borrowings (CC & PC)	-1,174.16	1,191.22
	Dividend Paid	-77.83	-194.57
	Interest Paid	-51.35	-34.88
	<b>Net Cash Flow from Financing Activities C</b>	<b>713.66</b>	<b>220.12</b>
	Net Increase / (decrease) in Cash and Cash Equivalents (A+B+C) D	1,367.74	236.88
	Add: Opening Cash and Cash Equivalents E	563.08	326.20
	<b>Closing Cash and Cash Equivalents (D+E)</b>	<b>1,930.82</b>	<b>563.08</b>

Note : (i) Figures in brackets indicate outflows  
(ii) Cash and cash equivalent is cash and bank balance as per balance sheet  
(iii) Fixed Deposits with bank under lien are considered as cash and cash equivalents.

AS PER OUR REPORT OF EVEN DATE.

For Gokhale & Sathe  
Chartered Accountants  
Firm Registration No: 103264W



(Tejas Parikh)  
Partner  
Membership No: 123215  
PLACE : Mumbai  
DATE: 06-05-2022



For and on Behalf of the Board of Directors of  
M/s Pinnacle Life Science Private Limited

   
(Vishwa H Savla) (Harit P Shah)  
Managing Director Director  
DIN: 03619810 DIN: 00005501

  
CS Rushikesh Deole  
Company Secretary  
PLACE : Mumbai  
DATE: 06-05-2022



NOTE NO. 1- PROPERTY, PLANT & EQUIPMENT

(Amount in Rs. lakhs)

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	Opening as on 01.04.21	Total Addition in Year	Deduction of GB	Closing as on 31.03.22	Opening as on 01.04.21	Total Current Year Dep	Deduction of Acc Dep	Closing as on 31.03.22	As at 31.03.22	As at 31.03.21
<b>TANGIBLES ASSETS</b>										
LAND	242.29	242.45	-	484.74	-	-	-	-	484.74	242.29
BUILDING	1,546.46	10.47	-	1,556.93	376.68	54.34	-	431.02	1,125.91	1,169.78
PLANT & MACHINERY	2,179.01	370.94	-	2,549.95	566.62	117.80	-	684.42	1,865.53	1,612.39
ELECTRICAL INSTALLATION	176.71	76.40	-	253.11	85.83	12.95	-	98.78	154.33	90.88
FURNITURE	103.63	29.22	-	132.85	29.97	10.42	-	40.39	92.46	73.66
GENERATOR SET	47.47	-	-	47.47	29.63	3.64	-	33.27	14.20	17.84
COMPUTERS	66.86	15.32	-	82.18	38.76	14.03	-	52.79	29.39	28.10
LAB EQUIPMENT	111.61	60.29	-	171.90	39.64	14.76	-	54.41	117.49	71.96
AIR HANDLING UNIT	341.38	14.83	-	356.21	175.93	30.95	-	206.88	149.33	165.45
FIRE FIGHTING EQUIPMENTS	3.43	0.88	-	4.31	2.70	0.14	-	2.84	1.47	0.74
MISCELLANEOUS ASSETS	0.10	-	-	0.10	0.10	-	-	0.10	-	-
VEHICLES	0.58	8.42	0.58	8.42	0.29	0.44	0.35	0.37	8.05	0.29
<b>TOTAL</b>	<b>4,819.53</b>	<b>829.23</b>	<b>0.58</b>	<b>5,648.18</b>	<b>1,346.15</b>	<b>259.47</b>	<b>0.35</b>	<b>1,605.28</b>	<b>4,042.90</b>	<b>3,473.38</b>
<b>INTANGIBLES ASSETS</b>										
COMPUTER SOFTWARE	42.03	0.06	-	42.09	27.52	6.18	-	33.70	8.39	14.51
<b>TOTAL (Current year)</b>	<b>4,861.56</b>	<b>829.29</b>	<b>0.58</b>	<b>5,690.27</b>	<b>1,373.67</b>	<b>265.65</b>	<b>0.35</b>	<b>1,638.97</b>	<b>4,051.30</b>	<b>3,487.89</b>
<b>TOTAL (Previous year)</b>	<b>4,369.09</b>	<b>492.47</b>	<b>-</b>	<b>4,861.56</b>	<b>1,144.88</b>	<b>228.79</b>	<b>-</b>	<b>1,373.67</b>	<b>3,487.89</b>	<b>-</b>



**NOTE NO. 1.2 - Capital Work in Progress**

Particulars	₹ in Lakhs	
	As at 31st March'2022	As at 31st March'2021
Opening Balance	-	-
Capitalised	-	-
Additions during the year	505.03	-
Closing Balance	505.03	-

**CWIP Ageing Schedule:**

	₹ in Lakhs				Total
	Amount in CWIP for a period of				
	Less than 1yr	1-2 yrs	2-3 yrs	More than 3 yrs	
As at 31.03.2022					
Project in progress :	505.03	-	-	-	505.03
Projects Temporarily Suspended :	-	-	-	-	-
Total	505.03	-	-	-	505.03
As at 31.03.2021					
Project in progress :	-	-	-	-	-
Projects Temporarily Suspended :	-	-	-	-	-
Total	-	-	-	-	-

**NOTE NO.2: INTANGIBLE ASSETS UNDER DEVELOPMENT**

Particulars	₹ in Lakhs	
	As at 31st March'2022	As at 31st March'2021
(a) PROCESS UNDER DEVELOPMENT (R & D In house )		
Opening Balance	170.58	-
Additions during the year	897.78	348.99
Deductions during the year (receipts against projects)	-144.50	-178.41
Deductions for products dropped in the year	-51.56	-
Closing Balance	872.30	170.58
(b) PROCESS UNDER DEVELOPMENT (R & D Outsourced )		
Opening Balance	53.44	50.96
Additions during the year	51.51	2.48
Amortisation	-	-
Closing Balance	104.95	53.44
(b) PRODUCT REGISTRATION COSTS		
Opening Balance	29.52	-
Additions during the year	122.94	29.52
Amortisation	-	-
Closing Balance	152.46	29.52
(c) OTHER DEVELOPMENTS UNDER PROCESS		
Opening Balance	76.93	-
Additions during the year	-	76.93
Amortisation	-	-
Closing Balance	76.93	76.93
Total (a+b+c+d)	1,206.64	330.47

**Intangible assets under development Ageing Schedule:**

	₹ in Lakhs				Total
	Amount in CWIP for a period of				
	Less than 1yr	1-2 yrs	2-3 yrs	More than 3 yrs	
As at 31.03.2022					
Project in progress :	876.17	206.00	88.15	36.32	1,206.64
Projects Temporarily Suspended :	-	-	-	-	-
Total	876.17	206.00	88.15	36.32	1,206.64
As at 31.03.2021					
Project in progress :	206.00	88.15	36.32	-	330.47
Projects Temporarily Suspended :	-	-	-	-	-
Total	206.00	88.15	36.32	-	330.47

Note: There are no projects which are overdue or has exceeded cost as compared to its original plan.





**M/s Pinnacle Life Science Private Limited**  
**NOTES FORMING PART OF BALANCE SHEET AS AT 31st MARCH 2022**

(Amount in Rs. lakhs)

NOTE NO 3 INVESTMENT		No. Shares	March 22	No. Shares	March 21
Unquoted Investment in equity shares					
Saraswat Co-operative Bank Ltd (FV Rs.10)		2500	0.25	2500	0.25
Shivalik Solid Waste Management Ltd (FV Rs.10)		2500	0.25	2500	0.25
<b>TOTAL</b>			<b>0.50</b>		<b>0.50</b>

NOTE NO 4 OTHER NON CURRENT ASSETS			
Unsecured - consider good			
Capital Advances		417.21	116.94
Deposits (Security Deposits and EMD's)		61.36	89.34
Security Deposits For Bank Guarantee		13.38	13.38
<b>TOTAL</b>		<b>491.95</b>	<b>219.67</b>

NOTE NO 5 INVENTORIES			
Packing Materials		464.04	282.38
Raw Materials		1,571.03	1,310.61
Finished Goods		968.68	440.67
Work in process		745.79	459.91
<b>Total Stock</b>		<b>3,749.53</b>	<b>2,493.47</b>
Less Provision for Obsolete & Non moving Stock		-	-
<b>TOTAL</b>		<b>3,749.53</b>	<b>2,493.47</b>

NOTE NO 6 TRADE RECEIVABLES			
Unsecured			
-considered good		6,565.08	7,098.39
-considered doubtful		138.65	61.98
		6,703.73	7,160.37
Less: Provision for Doubtful Debts		-138.65	-61.98
<b>TOTAL</b>		<b>6,565.08</b>	<b>7,098.39</b>

Ageing of trade receivables Particulars	As at 31st March 2022					Total
	Outstanding for following periods from invoice date					
	Less than 6 m	6m to 1yr	1-2 year	2-3 year	MoreThan 3yr	
Undisputed Trade Receivable-Considered Good	5,226.83	1,111.95	201.64	24.65	-	6,565.08
Undisputed Trade Receivable-Credit Impaired						-
Disputed Trade Receivable-Credit Impaired			71.56	7.09	60.00	138.65
<b>Total Debtors</b>	<b>5,226.83</b>	<b>1,111.95</b>	<b>273.20</b>	<b>31.74</b>	<b>60.00</b>	<b>6,703.73</b>
Less: Allowance for Credit Loss			71.56	7.09	60.00	138.65
<b>Net Debtors</b>	<b>5,226.83</b>	<b>1,111.95</b>	<b>201.64</b>	<b>24.65</b>	<b>-</b>	<b>6,565.08</b>

Ageing of trade receivables Particulars	As at 31st March 2021					Total
	Outstanding for following periods from invoice date					
	Less than 6 m	6m to 1yr	1-2 year	2-3 year	MoreThan 3yr	
Undisputed Trade Receivable-Considered Good	6,473.68	528.12	83.60	13.00	(0)	7,098.39
Undisputed Trade Receivable-Credit Impaired						-
Disputed Trade Receivable-Credit Impaired			13.75	46.95	1.28	61.98
<b>Total Debtors</b>	<b>6,473.68</b>	<b>528.12</b>	<b>97.34</b>	<b>59.95</b>	<b>1.28</b>	<b>7,160.37</b>
Less: Allowance for Credit Loss			13.75	46.95	1.28	61.98
<b>Net Debtors</b>	<b>6,473.68</b>	<b>528.12</b>	<b>83.60</b>	<b>13.00</b>	<b>(0.00)</b>	<b>7,098.39</b>

Above balances of trade receivables include balances with related parties (Refer Note No. 33)

NOTE NO 7 CASH & CASH EQUIVALENTS			
Cash on Hand		5.50	6.30
Cheques on Hand		4.10	0.25
<b>TOTAL</b>		<b>9.60</b>	<b>6.55</b>



NOTE NO 8 BANK BALANCES		
Particulars	As at 31st Mar, 2022	As at 31st Mar, 2021
Balances with Scheduled Banks :		
- Current Accounts	1,892.33	319.48
- Deposit Accounts	28.89	237.04
<b>TOTAL</b>	<b>1,921.22</b>	<b>556.52</b>

NOTE NO 9 LOANS & ADVANCES		
Unsecured , Consider good		
Loans and advances - staff & employees	22.64	8.69
Advances recoverable in cash or kind or for the value to be recd	31.54	100.85
Loans to Holding Company (ADL)	-	-
<b>TOTAL</b>	<b>54.18</b>	<b>109.54</b>

NOTE NO 10 OTHER FINANCIAL ASSETS (CURRENT)		
Deposits (Security Deposits and EMD's)		
Mark to Market Gain (Net) on financial instruments	-	18.62
<b>TOTAL</b>	<b>-</b>	<b>18.62</b>

NOTE NO 11 OTHER CURRENT ASSETS		
Amount with LIC against Gratuity Trust Fund	25.00	-
Duties & Taxes (Balances with statutory/revenue authorities)	2,264.23	1,249.72
<b>TOTAL</b>	<b>2,289.23</b>	<b>1,249.72</b>

NOTE NO 12 EQUITY SHARE CAPITAL		
<b>AUTHORISED :</b>		
1,00,00,000 Equity shares of Rs. 10/- each	1,000.00	1,000.00
	1,000.00	1,000.00
<b>ISSUED, SUBSCRIBED &amp; PAID-UP :</b>		
7782750 Equity Shares of Rs. 10/- each issued ,subscribed and fully paid up	778.28	778.28
<b>Reconciliation</b>	<b>Numbers</b>	<b>Value</b>
Opening outstanding shares	77,82,750	778.28
Add Issued During the Year	-	-
Closing outstanding shares	77,82,750	778.28

**Note No.12.1: Right attached to equity shares**

The Company has only one class of equity shares with voting rights having a par value of Rs 10/- per share.

The Company declares and pays dividends in Indian Rupees. Any Interim dividend paid is recognised on the approval by Board of Directors.

**Note No.12.2 : The details of Equity Shares outstanding during last 5 years**

No. of Equity Shares outstanding (In Numbers)	Financial Year				
	2021-22	2020-21	2019-20	2018-19	2017-18
Particulars					
Equity Shares at the beginning of the year (No. of Shares)	77,82,750	77,82,750	77,82,750	77,82,750	77,82,750
Issue of Bonus shares	-	-	-	-	-
Buyback of Shares	-	-	-	-	-
Equity Shares at the end of the year (No. of Shares)	77,82,750	77,82,750	77,82,750	77,82,750	77,82,750

**Note No 12.3 : Details of shareholders holding more than 5% shares**

Disclosures of shares held by each shareholders more than 5% shares				
Name of holder	Mar' 2022		Mar' 2021	
	No of Shares	% of Holding	No of Shares	% of Holding
Aarti Drugs Limited	7782750	100%	7782750	100%

**Note No 12.4 : Disclosures of Shareholding of Promoters**

Particulars	As at 31st March 2022		As at 31st March 2021		% Change During the year
	No. of Shares	% holding	No. of Shares	% holding	
Promoter name					
Aarti Drugs Limited	77,82,750	100	77,82,750	100	-





NOTE NO 13 OTHER EQUITY		
(A) Retained earnings		
Opening balance of P&L account (retained earnings)	4,487.38	2,139.11
Addition During the year	1,178.33	2,542.84
Less: Dividend Paid during the year	-77.83	-194.57
Closing balance of retained earnings	5,587.88	4,487.38
(B) Other Comprehensive Income (OCI)		
Opening balance of Other Comprehensive Income	0.09	-
Add/Less: Re-measurements of projected benefit obligation (net)	2.61	0.09
Clos. bal. of Other Comprehensive Income	2.70	0.09
(C) Revaluation Reserve		
Op balance of Revaluation Reserve *	849.83	849.83
Less: transferred to General Reserve	849.83	-
Clos. balance of Revaluation Reserve	-	849.83
(D) General Reserve		
Op balance of General Reserve	-	-
Add: transferred From Revaluation Reserve	849.83	-
Clos. balance of General Reserve	849.83	-
<b>TOTAL (A+B+C)</b>	<b>6,440.41</b>	<b>5,337.30</b>

\* Revaluation reserve pertains to period prior to transition to Ind AS. The Company had elected the option of carrying value of PPE at the time of transition as deemed cost. This year, The Company has transferred the same to the general reserve in view of Ind AS -ITFG Clarification Bulletins, Issue 7.

NOTE NO 14 NON CURRENT BORROWINGS		
Term loans		
Secured borrowings		
From Scheduled Banks	2,017.00	-
<b>TOTAL</b>	<b>2,017.00</b>	<b>-</b>

NOTE NO 15 CURRENT BORROWINGS		
Particulars	As at 31st Mar, 2022	As at 31st Mar, 2021
Loans repayable on demand		
From Banks		
Secured Borrowings	328.84	1,503.00
Unsecured Borrowings	-	-
Current maturities of Long Term debts	-	-
Unsecured Loan- Related party		
From Directors	-	-
From Others	-	-
<b>TOTAL</b>	<b>328.84</b>	<b>1,503.00</b>

NOTE NO 16 TRADE PAYABLE		
Trade payables of Goods, Services & Expenses		
Due to micro enterprises and small enterprises (MSME)	277.97	427.39
Due to others	7,665.71	5,200.96
<b>TOTAL</b>	<b>7,943.69</b>	<b>5,628.36</b>

Ageing of trade payable	As at 31st March 2022						
	Particulars	Less than 6 m	6m t o 1yr	1-2 year	2-3 year	MoreThan 3yr	Total
Undisputed dues-MSME		277.97	-	-	-	-	277.97
Undisputed dues-Others		7,665.72	-	-	-	-	7,665.72
<b>Total</b>		<b>7,943.69</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,943.69</b>

Ageing of trade payable	As at 31st March 2021						
	Particulars	Less than 6 m	6m t o 1yr	1-2 year	2-3 year	MoreThan 3yr	Total
Undisputed dues-MSME		427.39	-	-	-	-	427.39
Undisputed dues-Others		4,790.41	410.56	-	-	-	5,200.97
<b>Total</b>		<b>5,217.80</b>	<b>410.56</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,628.36</b>

NOTE NO 17 OTHER CURRENT LIABILITIES		
Advances received from customers	2,095.82	504.73
Capital creditors	45.28	3.19
Other Payables - Statutory Dues	44.54	19.28
<b>TOTAL</b>	<b>2,185.64</b>	<b>527.20</b>

NOTE NO 18 PROVISIONS		
Provision for Employee Liability	98.54	94.92
Provisions (Projected Benefit Obligation)	5.29	2.67
Other Short Term Provisions	701.97	1,473.40
<b>TOTAL</b>	<b>805.79</b>	<b>1,570.99</b>



**M/s Pinnacle Life Science Private Limited**  
**NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS**  
**FOR THE YEAR ENDED 31st March 2022**

	For the Year Ended	
	Mar-22	Mar-21
(Amount in Rs. lakhs)		
<b>Note No 19 - Other Income</b>		
Discount Received	0.16	0.00
Dividend Income	0.05	-
Interest on deposits and L&A	6.47	16.47
Sundry Balance W/Back	741.74	7.55
<b>Total</b>	<b>748.42</b>	<b>24.02</b>
<b>Note No 20 - Cost of materials consumed</b>		
Raw Material Consumption	16,234.66	12,032.26
Packing Materials	2,521.48	1,776.78
Freight Inward	46.20	14.14
<b>Total</b>	<b>18,802.34</b>	<b>13,823.19</b>
<b>Note No 21 - Employee benefits expense</b>		
Salaries,Wages and Bonus ( Mfg)	879.99	710.78
Salaries and Bonus ( Admin)	331.23	297.42
Staff Welfare Expenses	18.23	19.54
Directors' Remuneration	106.82	73.27
<b>Total</b>	<b>1,336.27</b>	<b>1,101.01</b>
<b>Note No 22 - Finance Cost</b>		
Interest on Term Loans	-	18.69
Interest on Working Capital	51.35	16.19
Interest on Unsecured loan	-	-
<b>Total</b>	<b>51.35</b>	<b>34.88</b>
<b>Note No 23 - Depreciation and Amortisation</b>		
Depreciation	265.65	228.79
<b>Total</b>	<b>265.65</b>	<b>228.79</b>
<b>Note No 24- Other expenses</b>		
<b>Manufacturing Expenses</b>		
Processing fees	370.37	290.92
Testing Charges	113.83	92.20
Labour Charges	274.40	254.89
Insurance Expenses	48.76	32.92
Power & Fuel	224.50	244.65
Stores & Spares	86.65	72.52
Repairs & Maintenance - Building	25.05	18.03
- Plant & Machinery	35.01	24.83
Other Factory Expenses	154.61	94.21
<b>SubTotal ( a)</b>	<b>1,333.18</b>	<b>1,125.18</b>





	For the Year Ended	
	Mar-22	Mar-21
<b>Office &amp; Administration Expenses</b>		
Auditors' Remuneration	2.91	2.49
Conveyance Expenses	16.03	12.09
Legal & Professional Charges	208.07	164.67
Membership & Subscriptions	0.28	0.19
Postage, Telegram & Telephone	5.72	3.02
Office Electricity Charges	17.98	11.33
Miscellaneous Expenses	173.51	53.37
Travelling & lodging Expenses - Directors	12.70	3.38
Travelling & lodging Expenses - Others	81.30	33.02
<b>Sub Total ( b )</b>	<b>518.50</b>	<b>283.54</b>
<b>Selling &amp; Distribution</b>		
Advertisement & Sales Promotion	99.68	71.19
Freight & Forwarding	599.67	609.61
Commission & Export Consultancy Expenses	96.36	1,145.74
Other Export Marketing Expenses	35.76	-
Provision for Bad & Doubtful Debts	91.70	63.23
Bad Debts & other written off	1.38	16.95
<b>Sub Total ( c )</b>	<b>924.55</b>	<b>1,906.71</b>
Bank Charges & BG Commission	17.52	17.01
<b>SubTotal ( d )</b>	<b>17.52</b>	<b>17.01</b>
<b>Non Operative Expenses</b>		
CSR Expenses	34.84	20.42
Donations	0.05	5.16
<b>SubTotal ( e )</b>	<b>34.89</b>	<b>25.58</b>
<b>Total ( a+b+c+d+e)</b>	<b>2,828.65</b>	<b>3,358.02</b>



# PINNACLE LIFE SCIENCE PRIVATE LIMITED

## NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

### **Corporate Information:**

Pinnacle Life Science Private Limited (“the Company”) is a private limited company incorporated and domiciled in India. It’s wholly owned subsidiary of Aarti Drugs Limited. The registered office of Company is located at near telephone exchange, Manpura, Baddi, Himachal Pradesh – 173205 and is incorporated under the provisions of the Companies Act applicable in India.

The Company is primarily involved in manufacturing of Tablets, Capsules, Syrups, Ointments & Creams.

### **Note: 25 Significant Accounting Policies and Accounting Estimates and Judgements**

#### **1) Basis of preparation:**

These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) to be read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015 and Companies (Indian Accounting Standard ) Amendment Rules, 2016. The Company’s Financial Statements for the year ended March 31, 2022 comprises of the Balance Sheet, Statement of Profit and Loss, Cash Flow Statement, Statement of Changes in Equity and the Notes to Financial Statements.

These financial statements were authorized for issue by the Company’s Board of Directors on May 6, 2022

#### **Classification of Assets and Liabilities:**

All assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Based on the nature of products and services and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non - current classification of assets and liabilities.

The Statement of Cash flows have been prepared under Indirect Method.

The financial statements are presented in Indian Rupees which is the functional currency of the company and all values are rounded to the nearest lakhs, except when otherwise indicated.





## Use of estimates and Judgments':

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, Judgments & Assumptions. These estimates, judgments & assumption affect the application of accounting policies and the reported amounts of assets & liabilities, the disclosures of contingent assets & liability at the date of the financial statement & reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which the changes are made and, if material, their effects are disclosed in the notes to the financial statements.

## (2) Revenue recognition:

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

- (i) **Sale of goods:** Revenue from contracts with customers is recognised on satisfaction of performance obligation, when control of the goods is passed to customer, at an amount that reflects the consideration the company expects to receive. The point at which control passes is determined based on terms of agreement with customer or as per general industry / market practice. GST and other taxes on sales are excluded from revenue.
- (ii) **Interest Income:** Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principle outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.
- (iii) **Dividend income:** Dividend income is recognised when the right to receive the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of the dividend can be measured reliably.
- (iv) **Export benefits:** Incentives and Export incentives are recognized as income when the right to receive credit as per the terms of the scheme is established in respect of the exports made and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.





### 3) Property, plant and equipment (PPE):

All items of property, plant and equipment other than Leasehold Land are stated at cost less accumulated depreciation and impairment loss, if any.

Cost includes cost of acquisition, installation or construction, other direct expenses incurred to bring the assets to its working condition and finance costs incurred up to the date the asset is ready for its intended use and excludes cenvat / value added tax / Goods and Services Tax (GST) eligible for credit / setoff.

When significant parts of plant and equipment are required to be replaced at intervals, the same is depreciated separately based on their specific useful lives. All other repair and maintenance costs are recognized in the statement of profit or loss as incurred.

Capital work-in-progress in respect of assets which are not ready for their intended use are carried at cost, comprising of direct costs, related incidental expenses and attributable interest.

Capital expenditure on property, plant and equipment for research and development is classified under property, plant and equipment and is depreciated on the same basis as other property, plant and equipment.

Property, plant and equipment are derecognised from financial statements, either on disposal or when retired from active use. Losses arising in the case of the retirement of property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognized in the statement of profit and loss in the year of occurrence.

#### **Intangible Assets:**

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the assets can be measured reliably.

Intangible assets are stated at cost or acquisition less accumulated amortisation and impairment loss, if any.

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Gains or losses arising from derecognition of an intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the assets is derecognised.

#### **Research and Development:**

Revenue expenditure on Research and Development is recognized as expense in the year in which it is incurred.

Capital expenditure on Research and Development is included as part of fixed assets and depreciation is provided on the same basis as for other fixed assets.

#### **Amortization:**





Software is amortised over their estimated useful life on straight line basis from the date they are available for intended use, subject to impairment test.

The amortisation period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

### **Depreciation:**

Depreciable amount of all items of property, plant and equipment other than Leasehold Land is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Property, plant and equipment are provided on straight line method, over the useful life of the assets, as specified in Schedule II to the Companies Act, 2013.

Property, plant and equipment which are added / disposed off during the year, depreciation is provided on pro-rata basis.

The asset's residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively; if appropriate an asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

### **Non-current assets and disposal group held for sale**

Assets and liabilities of disposal groups held for sale are measured at the lower of carrying amount and fair value less costs to sell. The determination of fair value less costs to sell includes use of the Management estimates and assumptions. The fair value of the disposal groups have been estimated using valuation techniques including income and market approach which includes unobservable inputs. Non-current assets and the disposal group that ceases to be classified as "Held for Sale" shall be measured at the lower of carrying amount before the non-current asset and the disposal group was classified as "Held for Sale" adjusted for any depreciation / amortization. Recoverable amounts of assets reclassified from "Held for Sale" have been estimated using the Management's assumptions.

#### **4) Financial Instrument: -**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### **a) Financial Assets:-**

##### *Classification:*

The Company classifies as financial assets are subsequently measured at amortised cost, fair value





through other comprehensive income or fair value through profit or loss, on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

#### *Initial recognition and measurement*

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

#### *Subsequent measurement*

For the purpose of subsequent measurement financial assets are classified in two broad categories:

- Financial assets at fair value ( FVTPL /FVTOCI)
- Financial assets at amortised cost

When assets are measured at fair value, gains and losses are either recognized in the statement of profit and loss (i.e. fair value through profit or loss (FVTPL)), or recognized in other comprehensive income (i.e. fair value through other comprehensive income (FVTOCI)).

#### *Financial Assets measured at amortised cost (net of write down for impairment, if any):*

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method less impairment, if any. The losses arising from impairment are recognised in the Statement of profit and loss.

#### *Financial Assets measured at Fair Value Through Other Comprehensive Income ("FVTOCI"):*

Financial assets under this category are measured initially as well as at each reporting date at fair value, when asset is held within a business model, whose objective is to hold assets for both collecting contractual cash flows and selling financial assets. Fair value movements are recognized in the other comprehensive income.

#### *Financial Assets measured at Fair Value Through Profit or Loss ("FVTPL"):*

Financial assets under this category are measured initially as well as at each reporting date at fair value with all changes recognised in profit or loss.

#### *Investment in Equity Instruments:*

Equity instruments which are held for trading are classified as at FVTPL. All other equity instruments are classified as FVTOCI. Fair value changes on the instrument, excluding dividends, are recognised in the other comprehensive income. There is no recycling of the amounts from other comprehensive income to profit or loss.

#### *Investment in Debt Instruments:*

A debt instrument is measured at amortised cost or at FVTOCI. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of profit and loss.





**b) Financial liabilities**

**(i) Financial liabilities at amortised cost:**

Financial liabilities at amortised cost represented by borrowings, trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest rate method.

**(ii) Financial liabilities at FVTPL:**

Financial liabilities at FVTPL represented by contingent consideration are measured at fair value with all changes recognised in the statement of profit and loss.

**5) Inventories:**

Raw materials, packing materials, store & spares , Traded goods and Work in progress are valued at the lower of cost and net realisable value. The cost of Raw materials, packing materials, store & spares and traded goods includes all cost of purchase, duties and taxes (other than those subsequently recoverable from the tax authorities) and all other cost incurred in bringing the inventory to its present location and conditions. Cost is arrived on FIFO basis.

Finished goods are valued at lower of cost and net realizable value. The cost of finished goods and Work in progress have been computed to include all cost of purchases, cost of conversion, appropriate share of fixed production overheads based on normal operating capacity and other related cost incurred in bringing the inventories to their present condition.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Slow and non-moving material, obsolescences, defective inventory are fully provided for and valued at net realizable value.

Goods and material in transits are valued at cost incurred upto to the date of balance sheet.

**6) Retirement and other employee benefits:**

**Provident fund:**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

**Gratuity Obligations:**

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined based on actuarial valuation.



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

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

#### Other Benefit Plan:

Leave Encashment Liability in respect of leave encashment becoming due or expected to be availed within one year from the balance sheet date is recognized on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees.

### 7) Foreign Currency Transactions:

Transaction denominated in foreign currencies is recorded at the exchange rate that approximates the actual rate prevailing at the date of the transaction. Monetary item denominated in foreign currency remaining unsettled at the year end are translated at year end rates. Differences arising on settlement or conversion of monetary items are recognised in statement of profit and loss. Non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of transactions. The premium in case of forward contracts is dealt with in the Profit and Loss Account proportionately over the period of contracts. The exchange differences arising on settlement/translation are dealt with in the Statement of Profit and Loss.

### 8) Income Taxes:

Income tax expense comprises of current tax expense and deferred tax expenses.

Current and deferred taxes are recognized in Statement of Profit and Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

#### **Current income tax:**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act of the respective jurisdiction. The current tax is calculated using tax rates that have been enacted or substantively enacted, at the reporting date.

#### **Deferred tax:**

Deferred tax is recognized using the Balance Sheet approach on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred tax liabilities are





recognized for all taxable temporary differences.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be recovered or settled.

Minimum Alternate Tax (MAT) credit is recognised as an asset only when and to the extent it is reasonably certain that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

**9) Borrowing Costs:**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of cost of the asset. All other borrowing costs are expensed in the period in which they occur.

**10) Provisions and Contingent Liabilities:**

**Provisions:**

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

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

**Contingent Liabilities:**

Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by the future events not wholly within the control of the company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

**Contingent Assets:**

Contingent Assets are not recognised in the financial statements. Contingent Assets if any, are disclosed in the notes to the financial statements.





## 11) Government grants:

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

Government grants related to revenue are recognised on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate. Such grants are deducted in reporting the related expense. When the grant relates to a fixed asset, it is reduced from the carrying cost of the related asset.

Where the Company receives non-monetary grants, the asset is accounted for on the basis of its acquisition cost. In case a non-monetary asset is given free of cost it is recognised at a fair value. When loan or similar assistance are provided by the government or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is recognized as government grant. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. A repayment of government grant is accounted for as a change in accounting estimate. Repayment of grant is recognised by reducing the deferred income balance, if any and the rest of the amount is charged to statement of profit and loss.

## 12) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit attributable to equity shareholders and the weighted average number of shares outstanding are adjusted for the effect of all dilutive potential equity shares from the exercise of options on unissued share capital. The number of equity shares is the aggregate of the weighted average number of equity shares and the weighted average number of equity shares which are to be issued in the conversion of all dilutive potential equity shares into equity shares.

## 13) Development activities of Intangible assets

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss as and when incurred.

Development costs are capitalized as an intangible asset if it can be demonstrated that the project is expected to generate future economic benefits, it is probable that those future economic benefits will flow to the entity and the costs of the asset can be measured reliably, else it is charged to the Statement of Profit and Loss. The amount capitalized comprises of expenditure that can be directly attributed or allocated on a reasonable & consistent basis for creating and making the asset ready for its intended use.

Property, Plant & Equipment utilized for research & development are capitalized and depreciated in accordance with the policies stated for Property, Plant & Equipment.

Payments to third parties that generally take the form of up-front payments and milestones for in-licensed products and intellectual property are capitalized since the probability of expected future benefits criterion is always considered to be satisfied for separately acquired intangible assets.





# PINNACLE LIFE SCIENCE PRIVATE LIMITED

NOTES TO FINANCIAL STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2022

## Corporate Information:-

Pinnacle Life Science Private Limited (“the Company”) is a private limited company incorporated and domiciled in India. Its wholly owned subsidiary of Aarti Drugs Limited. The registered office of the Company is located at near telephone exchange, Manpura, Baddi, Himachal Pradesh – 173205 and is incorporated under the provisions of the Companies Act applicable in India.

The Company is primarily involved in manufacturing of Tablets, Capsules, Syrups, Ointments & Creams.

## 26) FAIR VALUE MEASUREMENTS:

### Financial Instrument by Category

(Rs in Lakhs)

Particulars	As at 31st March 2022			As at 31st March 2021		
	Carrying	Level 1	Level 2	Carrying	Level 1	Level 2
	Amount			Amount		
<b>Financial Asset</b>						
<b>At Amortised Cost</b>						
Investment	0.50	-	-	0.50	-	-
Trade Receivables	6,565.08	-	-	7,098.39	-	-
Cash and Bank Balances	1,930.82	-	-	563.08	-	-
Loans & advances	54.18	-	-	109.54	-	-
Other financial assets	-			18.62		
<b>Financial Liabilities</b>						
<b>At Amortised Cost</b>						
Borrowings (Current)	328.84	-	-	1,503.00	-	-
Borrowings (Non - Current)	2,017.00			00.00		
Trade Payables	7,943.69	-	-	5,628.36	-	-
Other Current Financial Liabilities	00.00	-	-	00.00	-	-

The financial instruments are categorized into two levels based on the inputs used to arrive at fair value measurements are described below:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities; and

Level 2: Inputs other than the quoted prices included within Level 1 that are observed for the asset or liability, either directly or indirectly.

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



is included in level 3.

## 27) CAPITAL MANAGEMENT:

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize 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. The Company monitors capital using a gearing ratio, which is debt divided by total capital. Debt is calculated as loans and borrowings plus lease liabilities if any. (Rs.in Lakhs)

Particulars	As at 31st March 2022	As at 31st March 2021
Total Debt (A)	2345.84	1503.00
Total Equity( Including Revaluation Reserves) (B)	7216.52	6115.57
Net Gearing Ratio (A/B) (in times)	0.33	0.25

## 28) FINANCIAL RISK MANAGEMENT:

The Company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations. The Company is exposed to credit risk, market risk and liquidity risk. The Company's senior management oversees the management of these risks.

### I. Credit Risk

The company is exposed to credit risk from its operating activities (primarily for trade receivables) and Credit risk is the risk that a customer to pay the amounts due causing financial loss to the company. Credit risk arises from company's activities in outstanding receivables from customers. The company has a prudent and conservative process for managing its credit risk arising in the course of its business activities. Sales made to customers on credit are generally secured through Letters of Credit, Bank Guarantees and advance payments.

#### Credit risk management.

To manage the credit risk, the Company follows an adequate credit control policy and also has an external credit insurance cover with ECGC policy. Thus, the requirement of assessing the impairment loss on trade receivables does not arise, since the collectability risk is mitigated.

### II. Liquidity Risk





Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities such as trade payables and other financial liabilities.

### Liquidity Risk Management

The Company's corporate treasury department is responsible for liquidity and funding as well as settlement. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

As at 31<sup>st</sup> March, 2022

#### Maturities of non-derivative financial liabilities

(Rs.in lakhs)

Particulars	Up to 1 year	Between 1 and 5 years	Beyond 5 years	Total
Borrowings (Current)	328.84			328.84
Borrowings (Non - Current)	-	1394.70	622.30	2,017.00
Trade payables	7943.69	-	-	7943.69
Other financial liabilities	00.00	-	-	00.00
<b>Total</b>	<b>8272.53</b>	<b>2017.00</b>	<b>-</b>	<b>10289.53</b>

As at 31<sup>st</sup> March, 2021

#### Maturities of non-derivative financial liabilities

(Rs.in lakhs)

Particulars	Upto 1 year	Between 1 and 5 years	Beyond 5 years	Total
Borrowings (Current)	1503.00			1503.00
Trade payables	5628.36	-	-	5628.36
Other financial liabilities	-	-	-	00.00
<b>Total</b>	<b>7131.36</b>	<b>-</b>	<b>-</b>	<b>7131.36</b>

### III. Market Risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices– will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments.

The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates.



**Foreign currency risk**

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities in exports and imports which is majorly in US dollars.

**29) Contingent Liabilities and Commitments:**

	Particulars	As at 31st March 2022	As at 31st March 2021
(i)	<b>Contingent Liabilities</b>		
	In respect of bank guarantees issued and L/C opened by the Company's bankers	459.69	82.67
	Demand in respect of additional income tax disputed in appeal (not acknowledged as debt)	171.88	
	Demand in respect of GST (not acknowledged as debt)	39.66	
(ii)	<b>Commitments</b>		
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1053.94	199.87

**30) Securities for loans taken from Banks:****a) Details of Borrowing (Amount in Rs Lakhs)**

Bank Name	As at 31- March-2022	As at 31- March-2021	Due for	
			Installment F.Y.2022-23	Subsequent Years
Axis Bank Ltd Term Loans	1,300.00	0.00	0.00	1,300.00
HSBC Term Loans	711.03	0.00	0.00	711.03
<b>Total</b>	<b>2,011.03</b>	<b>0.00</b>	<b>0.00</b>	<b>2,011.03</b>

Note:

1) Above term loans are secured by way of paripasu first charge on the entire assets, both movable and immovable of the Company, present and future located at Baddi including new plant.

2) Paripasu first charge on the entire movable assets of the Company present and future located at Turbhe (R&D facility)

b) Cash Credit from Banks of Rs.328.84 lacs (F.Y 20-21 Rs. 1503.00 lacs) payable on demand are secured by hypothecation of Company's raw materials stock, stock-in-process, finished goods, packing materials, stores





&spares, book debts up to 90 days and including goods in transit governed by documents of title less creditors.

- c) Common security for Long Term Loans and working capital loans as collateral security;
- Hypothecation of existing plant and machinery
  - Equitable/legal mortgage of factory land and building at Baddi – Nalagarh (NH21A) at Village Manpura, Baddi Dist. Solan Himachal Pradesh 174101
  - New plant address:-Pinnacle Life Science Pvt Ltd, Khasra No-1331,1332 & 1335.Village Manpura, TehsilBaddi,Distt. Solan, Pin Code-174101Himachal Pradesh.

### 31) Segment Reporting IND AS 108

Ind AS 108 establishes standards for the way that company reports information about operating segment and related disclosure about products and geographical areas.

#### I. BASIS FOR SEGMENTATION

The operations of the Company are limited to one segment i.e manufacturing of pharmaceuticals products. The products being sold under this segment are of similar nature and comprise of pharmaceutical products only.

(Amount Rs.in Lakhs )

II.	GEOGRAPHICAL SEGMENTS AS SECONDARY SEGMENTS	For the year ended 31 <sup>st</sup> March, 2022	For the year ended 31 <sup>st</sup> March, 2021
	Segment Revenue		
a)	Out of India (Exports)	8,445.65	10,949.44
b)	India	19,925.98	17,520.51
	Total	28,371.63	28,469.95

### 32) RELATED PARTY DISCLOSURE UNDER IND AS 24

#### A. Name and Relationship of the Related Parties:

- Holding Company  
Aarti Drugs Limited
- Individuals owning directly or indirectly, an interest in the voting power of the reporting enterprise that gives them control or significant influence over the enterprise, and relatives of such individual.



• Individuals

Mr. Chandrakant V. Gogri	Chairman Emeritus (Holding Company)
Mr. Rajendra V. Gogri	Non-Executive Director
Mr. Prakash M. Patil	Chairman (Holding Company)
Mr. Rashesh C. Gogri	Managing Director (Holding Company)
Mr. Uday M. Patil	Whole-time Director (Holding Company)

• Relatives of Individuals

Mrs. Jaya C. Gogri	Mr. Mirik R Gogri
Ms. Arati T. Sankhe	Mr. Renil R. Gogri
Mrs. Arti R. Gogri	Mrs. HetalGogri Gala
Mrs. Manisha R. Gogri	Dr. Vikas M. Patil
Mrs. Priti P. Patil	Mr. Arun M. Patil
Mr. Mulraj C. Gala	Mrs. Indira M. Dedhia
Mrs. Pooja R. Gogri	Mrs. Dollar Dedhia
Mrs. Kalpana Sankhe	Mr. Tushar K. Sankhe
Mrs. Kalika A. Mishra	Mr. Amit Mishra
Mr. Aarnav R. Gogri	Mr. Aashay R. Gogri
Mrs. Vandana U. Patil	Mr. Tejas U. Patil
Mrs. Riya T. Patil	Mrs. Snehal T. Sahu
Mr. Pradeep S. Sahu	

(3) Key Management personnel along with their relatives have significant influence.

• Key Management Personnel

Mr. Harshit M. Savla	Director
Mr. Harit. P. Shah	Chairman
Mr. Adhish P. Patil	Director
Mr. Vishwa H. Savla	Managing Director
Mr. Rushikesh Deole	Company Secretary

Relatives of Key Management Personnel

Mrs. Jayashree H. Shah	Mrs. Seema H. Savla
Mr. Sameer P. Shah	Ms. Bhoomi H. Savla
Mrs. Richie Gandhi	Mr. Jay M. Savla
Mr. Jigar N. Solanki	Mr. Jay M. Savla
Mrs. Jigna H. Shah	Mrs. Kalpana H. Chheda
Mrs. Reshmi Vanjara	





(4) Enterprise/firms over which controlling individuals have significant influence and with whom transactions have taken place

- Aarti Industries Ltd.
- Aarti Life Science LLP (formerly RupalDrugs LLP)
- Alchemie Gases & Chemicals Pvt Ltd
- AartiSpeciality Chemicals Limited
- Pinnacle Chile SpA
- AartiPackwellPvt Ltd

**B. Transactions with the related parties during the year:**

Note: Proportions given in the following statement belong to the respective accounting group as shown in the financial statements for the year ended 31<sup>st</sup>March, 2022

Transaction with Related Parties	Holding Company (Aarti Drugs Limited)		Enterprise/firms over which controlling individuals have significant influence (Aarti Life Science LLP)	
	C.Y.	P.Y.	C.Y.	P.Y.
Sales & Income from Operations	-	-	999.09	1257.46
MEIS License Sale	155.62	-	-	-
Manufacturing Expenses	4566.47	4470.89	4.21	17.23
Borrowing costs	-	-	-	-
Rent Expenses	16.20	19.24	-	-
Expenses Incurred on our behalf	-	-	0.5	-
Office Deposit to Aarti Drugs	2.25	-	-	-
Dividend to Aarti Drugs	77.83	-	-	-
Outstanding Payable (Cr)	2579.81	1870.33	15.01	14.77
Outstanding Receivable (Dr)	41.63	11.74	1186.03	927.78
Outstanding Loans & advances (Dr)	-	-	-	**81.78

\*Advances given against supply of Raw materials to Aarti Drugs Limited.

\*\* Expenses paid on behalf of Aarti LLP to be recoverable from LLP.



(Amount Rs.in Lakhs)

Transaction with Related Parties	Enterprise/firms over which controlling individuals have significant influence (Aarti Industries)	
	C.Y.	P.Y.
Sales & Income from Operations	-	-
Manufacturing Expenses	23.74	20.71
Expenses Incurred on our behalf	7.00	-
Outstanding Payable	7.35	11.02
Outstanding Loans & advances (Dr)	-	-

Transaction with Related Parties	Enterprise/firms over which controlling individuals have significant influence (AARTI PACKWELL PRIVATE LIMITED)	
	C.Y.	P.Y.
Sales & Income from Operations	0.33	-
Manufacturing Expenses	-	-
Outstanding Receivable	-	-
Outstanding Loans & advances (Dr)	-	-

Transaction with Related Parties	Individuals		Relatives of Individuals		Key Management Personnel		Relative of Key Management Personnel	
	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.	C.Y.	P.Y.
Employee Benefits & Office & Administration Expenses	-	-	-	-	39.87	34.91	23.36	17.78
Special Allowances to Directors	-	-	-	-	66.95	38.36	-	-

- Note: 1. Related Parties are identified by the Management.  
2. Transactions are excluding of Goods & services tax





**33) Directors Remuneration:**

(Amount in Rs In Lakhs)

Particulars	Current Year	Previous Year
Salary to Managing Directors and whole time Directors	32.32	25.95
Bonus/Leave Travel Allowance/House Rent Allowance/ Medical/Leave Salary	4.97	3.80
Special Allowances to Directors	66.95	38.36
Super Annuation Expenses	2.58	5.16
<b>Total Remuneration</b>	<b>106.82</b>	<b>73.27</b>

**34) Auditors' remuneration includes**

(Amount in Rs in Lakhs)

Particulars	Current Year	Previous Year
Statutory Audit	2.91	2.49
Other Audit Services	0.00	0.00
Certification	0.15	0.20
<b>Total</b>	<b>3.06</b>	<b>2.69</b>

**35) Earnings Per Share:**

(Amount in Rs in Lakhs, except share data)

Particulars	Current Year	Previous Year
Net Profit available for Equity Shareholders	1178.33	2542.84
Total Comprehensive Income	1180.94	2542.93
Number of Equity Shares (Nos.)	7782750	7782750
Basic & Diluted EPS (after extraordinary items) (Rs.)	15.14	32.67
Nominal value per share (Rs.)	10.00	10.00

**36) Disclosure Regarding Scientific Research & Development Expenditure**

(Amount in Rs in Lakhs)

YEAR	REVENUE EXPENDITURE	CAPITAL EXPENDITURE	INTANGIBLE ASSETS UNDER DEVELOPMENT
2021-2022	239.46	316.77	977.25
2020-2021	144.78	178.89	224.03

37) Additional information pursuant to the provisions of the Companies Act, 2013 (Figures in bracket relate to 31<sup>st</sup> March 2021)

Licensed capacity installed capacity and production (as certified by the Management and not verified by the Auditors, it's being a technical matter.)



a) **At Baddi**(Qty in lacs) (All figures in bracket relates to previous year)

Class of Goods	Units	Licensed*	Installed	Production	Captive	Net Production
TABLETS/CAPSULES	Nos	---	37800.00 (37800.00)	16887.34 (16 060.33)	NIL	16887.34 (16 060.33)
TUBES/OINTMENT	Nos	---	300.00 (300.00)	5.39 (17.57)	NIL	5.39(17.57)
LIQUID	Bottles	---	300.00 (300.00)	20.24 (10.38)	NIL	20.24 (10.38)
LOTIONS	Bottles	---	80.00 (80.00)	---	NIL	---

\* As license is not required Licensed Capacity not given

b)

Purchase of trading items(Net ):	Current Year	Previous Year
Number of Strips (in lakhs)	326.33	276.13
Number of Vials/Nos/Units (in lakhs)	46.26	103.29
Number of Bottles (in lakhs)	8.82	6.01
Amounts ( Rs.in Lakhs)	5025.53	6807.32

c)

Value of Raw materials and spares consumed	Current Year	Previous Year
Raw Material:		
Indigenous		
Percentage %	96.80	98.90





	Amount (Rs. In Lakhs)	15715.40	11,900.26
Imported			
	Percentage %	3.20	1.10
	Amount (Rs. In Lakhs)	519.26	132.10
Stores and spares			
Indigenous			
	Percentage %	100	100
	Amount (Rs. In Lakhs)	86.65	72.52

d)

	(Amount Rs.in Lakhs)	
	Current Year	Previous Year
<b>C.I.F Value of Imports</b>		
Raw Material	519.26	132.01
Capital Goods	13.81	0

e)

(Amount Rs.in Lakhs)

	Current Year	Previous Year
<b>Expenditure in Foreign Currency</b>		
Export Commission & Consultancy	21.37	56.50
Travelling Expenses	22.00	0.39
Product /Drug Registration charges	64.63	29.52
Professional Fees – Export	83.54	58.41
Foreign Agent Marketing Expenses	24.95	-
Other Export Expenses	19.20	-



(Amount Rs.in Lakhs)

f)

Earnings in Foreign Exchange	Current Year	Previous Year
F.O.B. Value of Exports	8233.94	10455.77

38) As per Sec 135 of the Companies Act 2013, details of amount to be spent on Corporate Social Responsibility are as below.

Particulars	2021-22	2020-21
Amount computed as per provisions of section 135(5) of Companies Act, 2013	34.84	20.42
Less: Amount spent during the year	(34.84)	(20.42)
Unspent / (excess) amount for the year	-	-
- Amount paid towards current year	34.84	20.42
- Unspent amount of previous year paid in current year	-	-
Total expenses debited to the Statement of Profit and Loss	34.84	20.42

Details of amounts spent on CSR expenses:

		in lakhs
Name of the Party	Purpose	Amount
Shree KutcchiBhanushaliSevaSamajTrust	Education	10.00
Kutchi Jain Foundation	Support for Building House to economically backward groups.	20.00
Investor Education and Welfare association	Education	0.84
SeemantSewa Foundation	Healthcare Facilities	4.00
<b>Total</b>		<b>34.84</b>

39) Investments in equity instruments (unquoted)

(Amount in Lakhs)

Particulars	Current Year		Previous Year	
	No of units	Amount	No of units	Amount





Equity shares in Shivalik solid waste management Pvt. Ltd. (Equity shares of Rs. 10/- each)	2500	0.25	2500	0.25
Equity shares in Saraswat Bank Ltd. (Equity shares of Rs. 10/- each)	2500	0.25	2500	0.25
Total		0.50		0.50

#### 40) Deferred Tax

Deferred tax assets/(liabilities) as at March 31, 2022 in relation to;

(Amount in Lakhs)

Particulars	As at April 1, 2021	Recognised in P&L	Recognised in Other Comprehensive Income	As at March 31, 2022
Property, plant and equipment	216.68	21.96	-	238.64
Total	<b>216.68</b>	<b>21.96</b>	-	<b>238.64</b>

Deferred tax assets/(liabilities) as at March 31, 2021 in relation to;

(Amount in Lakhs)

Particulars	As at April 1, 2020	Recognised in P&L	Recognised in Other Comprehensive Income	As at March 31, 2021
Property, plant and equipment	212.44	4.24	-	216.68
Total	<b>212.44</b>	<b>4.24</b>	-	<b>216.68</b>

#### 41) Employee Benefits:

##### (a) Defined Benefit Plan

The employee's gratuity fund scheme is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation



	Current Pd.	Previous Pd.
Type of Benefit	Gratuity	Gratuity
Reporting Currency	INR	INR
Funding Status	Unfunded	Unfunded
Starting Period	01-Apr-2021	01-Apr-2020
Date of Reporting	31-Mar-2022	31-Mar-2021
Period of Reporting	12 Months	12 Months

Assumptions	Current Pd.	Previous Pd.
Expected Return on Plan Assets	N.A.	N.A.
Rate of Discounting	6.98%	6.44%
Rate of Salary Increase	6.00%	6.00%
Rate of Employee Turnover	8.00%	8.00%
Mortality Rate During Employment	Indian Assured Lives Mortality (2006-08) Ultimate	
Mortality Rate After Employment	N.A.	

(Amount in Lakhs)

Change in the Present Value of Projected Benefit Obligation (Figures in lacs)	Current Pd.	Previous Pd.
Present Value of Benefit Obligation at the Beginning of the Period	57.10	28.33
Interest Cost	3.68	1.93
Current Service Cost	21.02	11.37
Past Service Cost	-	16.20
(Benefit Paid Directly by the Employer)	(1.98)	(0.64)
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	(0.005)	-
Actuarial (Gains)/Losses on Obligations - Due to Change in Financial Assumptions	(3.51)	1.80
Actuarial (Gains)/Losses on Obligations - Due to Experience	0.90	(1.88)
Present Value of Benefit Obligation at the End of the Period	77.21	57.10

Change in the Fair Value of Plan Assets	Current Pd.	Previous Pd.
Fair Value of Plan Assets at the Beginning of the Period	-	-





Interest Income	-	-
Contributions by the Employer	-	-
Return on Plan Assets, Excluding Interest Income	-	-
Fair Value of Plan Assets at the End of the Period	-	-

(Amount in Lakhs)

<b>Amount Recognized in the Balance Sheet</b>	<b>Current Pd.</b>	<b>Previous Pd.</b>
(Present Value of Benefit Obligation at the end of the Period)	(77.21)	(57.10)
Fair Value of Plan Assets at the end of the Period	-	-
Funded Status (Surplus/ (Deficit))	(77.21)	(57.10)
Net (Liability)/Asset Recognized in the Balance Sheet *	(77.21)	(57.10)

(Amount in Lakhs)

<b>Net Interest Cost</b>	<b>Current Pd.</b>	<b>Previous Pd.</b>
Present Value of Benefit Obligation at the Beginning of the Period	57.10	28.33
(Fair Value of Plan Assets at the Beginning of the Period)	-	-
Net Liability/(Asset) at the Beginning	57.10	28.33
Interest Cost	3.68	1.93
Net Interest Cost for Current Period	3.68	1.93

(Amount in Lakhs)

<b>Expenses Recognized in the Statement of Profit or Loss for Current Period</b>	<b>Current Pd.</b>	<b>Previous Pd.</b>
Current Service Cost	21.02	11.37



Past Service Cost	-	16.20
Net Interest Cost	3.68	1.93
Expenses Recognized	24.70	29.51

(Amount in Lakhs)

<b>Expenses Recognized in the Other Comprehensive Income (OCI) for Current Period</b>	<b>Current Pd.</b>	<b>Previous Pd.</b>
Actuarial (Gains)/Losses on Obligation For the Period	(2.61)	(0.09)
Return on Plan Assets, Excluding Interest Income	-	-
Change in Asset Ceiling	-	-
Net (Income)/Expense For the Period Recognized in OCI	(2.61)	(0.09)

(Amount in Lakhs)

<b>Other Details</b>	<b>Current Pd.</b>	<b>Previous Pd.</b>
No of Members in Service (In No.)	461	381
Per Month Salary For Members in Service	61.72	49.49
Weighted Average Duration of the Defined Benefit Obligation (No.)	10	10
Average Expected Future Service (No.)	10	10
Defined Benefit Obligation (DBO) – Total	77.21	57.10
Defined Benefit Obligation (DBO) - Due but Not Paid	1.14	-
Expected Contribution in the Next Year	-	-

The estimate of rate of escalation in salary considered in Actuarial valuation, take into account inflation, seniority, promotion, other relevant factors' including supply and Demand in the employment market. The above information is certified by the actuary

**(b) Leave Encashment :**

No Leave Encashment liability (previous year also Nil) has been provided in the Accounts as no leave encashment expected in next one year.

42) Sales /Income from Operation include export benefits amounting to **Rs. 28.55 Lakhs** (Year ending 31<sup>st</sup> March 2021 Rs. 231.24 Lakhs)





43) In the opinion of Board, except as otherwise stated, the current assets have a value on realization at least equal to amounts at which they are stated in the balance sheet.

As at            As at  
31.3.2022    31.3.2021  
` in lacs     ` in lacs

Disclosure of dues to Micro and Small Enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 (as available with the Company) (Refer Note 16)

a) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	277.97	427.39
b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
d) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-

**44) Additional Statutory Information:**

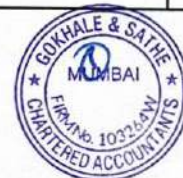
Additional Regulatory Information pursuant to Clause 6L of General Instructions for preparation of Balance Sheet as given in Part 1 of Division II of Schedule III of the Companies Act, 2013, are given hereunder to the extent relevant and other than those given elsewhere in any other notes to the Financial Statements.

Additional Regulatory Information pursuant to Clause 6L of General Instructions for preparation of Balance Sheet as given in Part 1 of Division II of Schedule III of the Companies Act, 2013, are given hereunder to the extent relevant and other than those given elsewhere in any other notes to the Financial Statements.



**a. Ratios:**

Ratio	Current year	Previous year	% Variance	Reason for Variation
Current ratio (in times) (Current Assets/ Current Liabilities)	1.29	1.25	2.92	
Debt-Equity ratio (in times) (Debt / Shareholder's Equity)	0.33	0.25	32.27	Due to increase in debts
Debt service coverage ratio (in times) (Net Profit after taxes+ Depreciation + Interest / Interest and lease payments + Long term principal repayments)	22.10	51.86	-57.37	Due to increase in debts
Return on equity ratio (in %) (Net profit after tax/ Average Shareholder's equity)	4.41	12.86	-65.71	Due to reduction in profit after tax
Inventory Turnover Ratio (in %) (Cost of goods sold/ Average Inventories)	7.8	9.92	-21.36	
Trade receivables turnover ratio (in times) (Net Credit Sales/ Average trade receivables)	3.63	4.71	-22.89	
Trade payables turnover ratio (in times) (Net Credit Purchase/ Average trade payables)	3.57	5.90	-39.49	Due to change in creditors amount
Net capital turnover ratio (in times) (Net Sales/ working capital (i.e. Total current assets less Total current liabilities))	8.63	12.12	-28.84	Due to increase in Working capital
Net profit ratio (in %) (Net Profit after tax/ Net Sales)	4.15	8.93	-53.59	Due to reduction in profit after tax
Return on capital employed (in %) (Earnings before interest and taxes/ Tangible Net Worth + Total Debt + Deferred tax Liability)	20.05	47.28	-57.60	Due to reduction in earnings before interest and taxes; and increase in debts





b. The difference between the value as per books of accounts and as per quarterly statement submitted with lenders are given below:

(₹ in Lakhs)

Quarter	Name of the bank	Nature of the current asset/liability	Amount as per books of accounts	Amount as per Quarterly Return & Statements	Difference
21-Jun	Saraswat Coop Bank Ltd, Standard Chartered Bank	Debtors	8715	8715	0
21-Jun	Saraswat Coop Bank Ltd, Standard Chartered Bank	Stock statement	4539	4539	0
21-Jun	Saraswat Coop Bank Ltd, Standard Chartered Bank	Creditors	9814	9814	0
21-Sep	Saraswat Coop Bank Ltd, Standard Chartered Bank	Debtors	7530	7530	0
21-Sep	Saraswat Coop Bank Ltd, Standard Chartered Bank	Stock statement	2604	2604	0
21-Sep	Saraswat Coop Bank Ltd, Standard Chartered Bank	Creditors	6294	6294	0
21-Dec	Saraswat Coop Bank Ltd, Standard Chartered Bank	Debtors	6105	6105	0
21-Dec	Saraswat Coop Bank Ltd, Standard Chartered Bank	Stock statement	2923	2923	0
21-Dec	Saraswat Coop Bank Ltd, Standard Chartered Bank	Creditors	5727	5727	0
22-Mar	Saraswat Coop Bank Ltd, Standard Chartered Bank, HSBC Bank Ltd	Debtors	6565	6546	19
22-Mar	Saraswat Coop Bank Ltd, Standard Chartered Bank, HSBC Bank Ltd	Stock statement	3750	3750	0
22-Mar	Saraswat Coop Bank Ltd, Standard Chartered Bank, HSBC Bank Ltd	Creditors	7944	7925	19

Quarter	Name of the bank	Nature of the current asset/liability	As per books of accounts	Amount as per Quarterly Return & Statements	Difference
20-Jun	Saraswat Coop Bank Ltd, Standard Chartered Bank	Debtors	4594	4594	0



20-Jun	Saraswat Coop Bank Ltd, Standard Chartered Bank	Stock statement	2077	2077	0
20-Jun	Saraswat Coop Bank Ltd, Standard Chartered Bank	Creditors	3271	3271	0
20-Sep	Saraswat Coop Bank Ltd, Standard Chartered Bank	Debtors	6375	6375	0
20-Sep	Saraswat Coop Bank Ltd, Standard Chartered Bank	Stock statement	2078	2078	0
20-Sep	Saraswat Coop Bank Ltd, Standard Chartered Bank	Creditors	3607	3622	-15
20-Dec	Saraswat Coop Bank Ltd, Standard Chartered Bank	Debtors	7042	7042	0
20-Dec	Saraswat Coop Bank Ltd, Standard Chartered Bank	Stock statement	2308	2308	0
20-Dec	Saraswat Coop Bank Ltd, Standard Chartered Bank	Creditors	5157	5157	0
21-Mar	Saraswat Coop Bank Ltd, Standard Chartered Bank	Debtors	7098	7098	0
21-Mar	Saraswat Coop Bank Ltd, Standard Chartered Bank	Stock statement	2493	2493	0
21-Mar	Saraswat Coop Bank Ltd, Standard Chartered Bank	Creditors	5628	5628	0

Note – The differences are because, the statements filed with the lenders are based on financial statements prepared on provisional basis prior to finalization of quarterly Audit.

- c. The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- d. The Company do not have any transactions with companies struck off.
- e. The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- f. The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- g. The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:  
Indirectly 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  
ii provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- h. The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding





Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- i. 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
  - ii. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- i. The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- j. The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

45) Figures of the previous year have been regrouped and rearranged wherever necessary.

AS PER OUR REPORT OF EVEN DATE

FOR & ON BEHALF OF THE BOARD OF DIRECTORS

For **GOKHALE & SATHE**  
**CHARTERED ACCOUNTANTS**  
Firm Registration No: 103264W

**(TEJAS PARIKH)**  
PARTNER  
M No: 123215



**HARIT P. SHAH**  
(Director)  
DIN: 00005501

**VISHWA H. SAVLA**  
(Managing Director)  
DIN: 03619810

Place: Mumbai  
Date: 6<sup>th</sup> May, 2022

**CS RUSHIKESH DEOLE**  
(Company Secretary)

Place: Mumbai  
Date: 6<sup>th</sup> May, 2022