

## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of  
Valiant Laboratories Limited**

### **Report on the Audit of the Standalone Financial Statements**

#### **Opinion**

We have audited the Standalone Financial Statements of Valiant Laboratories Limited ("the Company"), which comprise the balance sheet as at March 31, 2022, and the statement of Profit and Loss, (statement of changes in equity) and statement of cash flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements Section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Management's Responsibility for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial

controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone 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.

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

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

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

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

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

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

#### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive income, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
  - (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (g) With the 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 the Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

- (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, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 27 to the Standalone Financial Statements;
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 36 to the Standalone Financial Statements;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company (or, following are the instances of delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv.
    - (a) The Management has represented that, to the best of its knowledge and belief, other than disclosed in the notes, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person 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, other than disclosed in the notes to accounts, no funds 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 such 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.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of Sub-Section (11) of Section 143 of the Companies Act, 2013, we give in the "Annexure B", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

**For Raman S Shah & Co,**  
**Chartered Accountants**  
Firm's Registration No. 111919W



**Raman S Shah**  
**Proprietor**  
**M. No. 033272**



**UDIN: 22033272ALIPHM7913**

Place: Mumbai.  
Date: May 20, 2022

**Annexure A to the Auditor's Report – March 31, 2022**

**Report on the Internal Financial Controls 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 Valiant Laboratories Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the Standalone 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls 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 judgment, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system 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 Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's

internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone 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 March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Raman S Shah & Co,**  
**Chartered Accountants**  
Firm Registration No. 111919W



**Raman S Shah**  
**Proprietor**  
**M. No. 033272**



**UDIN: 22033272ALIPHM7913**

Place: Mumbai.  
Date: May 20, 2022

**Annexure B to the Auditor's Report – March 31, 2022**

**Annexure B referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date to the members of Valiant Laboratories Limited on the accounts of the company for the year ended March 31, 2022.**

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- (i)
    - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipments;
    - (B) The company is maintaining proper records showing full particulars of intangible assets;
  - (b) As explained to us, the Company has phased programme of physical verification of Property, Plant & Equipments by which all Property, Plant & Equipments are verified over a period of three years. In our opinion, periodicity of the physical verification is reasonable having the regard to the size of the Company and nature of assets. According to the information and explanation given to us no material discrepancies were noticed on such verification;
  - (c) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) and intangible assets during the year;
  - (d) According to the information and explanation given to us and on the basis of examination of the records of the Company, there are no Proceedings are initiated or no pending cases against the company for holding Benami Property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder;
- (ii)
    - (a) The Management has been conducted physical verification of the inventories at reasonable intervals, and as per our opinion, the coverage and procedure of such verification by the management is appropriate; no discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification, all immaterial discrepancies have been properly dealt with books of accounts.
- (iii) According to the information and explanation given to us and on the basis of examination of books and record by us,
    - a. A. The Company has not granted any loans or provided advances in the nature of loans or stood guarantee or provided security to its subsidiaries during the year. Accordingly, reporting under clause 3(iii)(a)(A) of the Order is not applicable.
    - B. The Company has only granted unsecured loans or advances in the nature of loan to employees as specified below:



<b>Loan to Employees</b>	<b>Amount (₹ in Lakhs)</b>
Aggregate amount granted during the year	0.00
Balance outstanding as on March 31, 2022	0.14

- b. The terms and condition of the grant of loans or advances in the nature of loans, as referred to \ a(B) above are not prima facie prejudicial to the interest of the company.
- c. In respect of loans or advances in the nature of loans granted by the Company, the schedule of repayment of principal has been stipulated and the repayments are regular.
- d. No loans or advances in the nature of loans granted by the Company that have fallen due during the year, have been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.
- f. The Company has not granted any loans or advances in the nature of loans that are either repayable on demand or without specifying any terms or period of repayment.
- (iv) In respect of loans, investments, guarantees, and security, provisions of Section 185 & Section 186 of the Companies Act, 2013 have been complied with.
- (v) The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government of India for the maintenance of cost records under Section 148(1) of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us and based on the records of the company examined by us, in respect of Statutory Dues,  
(a) The Company generally been regular in depositing undisputed statutory dues including Goods and Service Tax, Provident Fund, Employee State Insurance, Income tax, custom duty, cess and any other statutory dues to the appropriate authorities and there are no arrears of outstanding statutory dues as on the last day of the FY concerned for a period of more than 6 months from the date they became payable.
- (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)  
(a) The company has not defaulted in repayment of loans or other borrowings or in the payments of interest thereon to any lender;

- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
  - (c) According to the information and explanations given to us and on the basis of our audit procedure, the term loans were applied for the purpose for which the loan were obtained.
  - (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the company, we report that no funds raised on Short Term basis have been used for Long Term purposes by the company.
  - (e) According to the information and explanations given to us, and the procedures performed by us, Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures;
  - (f) The Company has not raised loans during the year on the pledge of securities held by the subsidiaries, associates or joint ventures
- (x)
- (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
  - (b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.
- (xi)
- (a) No fraud by the company or 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 by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
  - (c) According to the information and explanations given to us, and the procedures performed by us, there are no whistle-blower complaints received by the Company during the year and upto the date of this Report.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv)
- (a) In our opinion 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 realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's 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 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)

- (a) This Clause is not applicable to the Company due to first year of Incorporation. There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.
- (b) There is no amount remaining unspent under section (5) of section 135 of Companies Act, pursuant to any ongoing project.

**For Raman S Shah & Co,**  
**Chartered Accountants**  
Firm Registration No. 111919W



**Raman S Shah**  
**Proprietor**  
**M. No. 033272**



**UDIN: 22033272ALIPHM7913**

Place: Mumbai.  
Date: May 20, 2022

**VALIANT LABORATORIES LIMITED**

Balance Sheet as at March 31, 2022

	Particulars	Notes	March 31, 2022
<b>I.</b>	<b>ASSETS</b>		
	<b>Non-Current assets</b>		
	(a) Property, plant & equipment	2	21,77,33,771
	(b) Right to Use-Assets	2	45,37,280
	(c) Capital Work-in-Progress	2	1,44,45,378
	(d) Goodwill		
	(e) Other Intangible Assets		
	(f) Financial Assets		
	(i) Other Investments	3	40,20,608
	(ii) Deposits & Other financial assets		-
	(iii) Security Deposit	4	61,02,895
	(g) Other non-current assets		-
	<b>Total Non-Current assets</b>		<b>24,68,39,932</b>
	<b>Current assets</b>		
	(a) Inventories	5	15,80,38,082
	(b) Financial Assets		
	(i) Investments		-
	(ii) Trade Receivables	6	1,10,76,91,543
	(iii) Cash and Cash Equivalents	7	13,12,571
	(iv) Bank Balances Other than Cash & Cash Equivalents	8	20,00,00,000
	(v) Loans		-
	(c) Other Current assets	9	1,41,88,763
	(d) Current Tax Assets (Net)	10	1,59,87,382
	<b>Total Current assets</b>		<b>1,49,72,18,340</b>
	<b>Total Assets</b>		<b>1,74,40,58,273</b>
<b>II.</b>	<b>EQUITY AND LIABILITIES</b>		
	<b>EQUITY</b>		
	(a) Equity Share Capital	11	16,28,00,000
	(b) Other Equity	12	55,18,04,265
	<b>Total Equity</b>		<b>71,46,04,265</b>
	<b>Liabilities</b>		
	<b>Non-Current liabilities</b>		
	(a) Financial Liabilities		
	(i) Borrowings	13	59,40,01,972
	(ii) Lease Liabilities	14	26,70,700
	(b) Provisions		-
	(c) Deferred Tax Liabilities (net)	15	29,60,984
	(d) Other Non-Current Liabilities	16	96,13,766
	<b>Total non-current liabilities</b>		<b>60,92,47,422</b>
	<b>Current Liabilities</b>		
	(a) Financial Liabilities		
	(i) Borrowings	13A	1,28,06,691
	(ii) Lease Liabilities	14A	17,83,603
	(iii) Trade Payables	17	
	A) Total Outstanding Dues of Micro enterprises and small enterprises		-
	B) Total Outstanding dues of Creditors other than Micro enterprises and small enterprises		39,72,43,503
	(iv) Other Financial Liabilities	18	76,88,898
	(b) Other Current liabilities	19	6,83,783
	(c) Provisions		-
	<b>Total current liabilities</b>		<b>42,02,06,586</b>
	<b>Total Equity and Liabilities</b>		<b>1,74,40,58,273</b>

The above statement of Balance Sheet should be read in conjunction with the accompanying notes.  
As per our report of even date attached

Raman S Shah & Co  
Chartered Accountants  
(Firm Regn No. 111919W)

For Valiant Laboratories Limited



Raman S Shah  
Proprietor  
M. No.033272  
Place : Mumbai  
Date - 20th May 2022  
UDIN -22033272ALIPHM7913

S.S.Vora

Mr. Santosh Shantilal Vora  
DIN - 07633923  
(Managing Director)

Mr. Paresk Shashikant Shah  
Director & CFO  
DIN - 08291953

Saloni Mehta  
Company secretary  
ICSI - A65706

**VALIANT LABORATORIES LIMITED**

Statement of Profit and Loss March 31, 2022

(Amount In Rs.)

	Particulars	Notes	For the period 16th Aug - 31-03-2022
I	Revenue from operations	20	2,08,24,43,548
II	Other Income	21	1,66,49,070
III	<b>Total Income</b>		<b>2,09,90,92,618</b>
IV	<b>EXPENDITURE</b>		
	Cost of Materials Consumed	22A	1,68,97,00,930
	Changes in Inventories of Finished Goods & Work-in-Progress	22B	1,43,94,650
	Employee Benefits Expense	23	2,22,94,337
	Finance Costs	24	2,41,942
	Depreciation and Amortization	25	1,61,75,208
	Other Expenses	29	8,32,98,286
IV	<b>Total Expenditure</b>		<b>1,79,73,16,052</b>
V	<b>Profit Before Tax</b>		<b>30,17,76,565</b>
VI	<b>Tax Expenses</b>		
	Current Tax		7,72,52,075
	Deferred Tax		26,32,510.00
VI	<b>Total Tax Expense</b>		<b>7,46,19,565</b>
VII	<b>Profit for the year</b>		<b>22,71,57,000</b>
VIII	<b>Other Comprehensive Income</b>		
	(i) Items that will not be reclassified to profit or loss in subsequent year		
	Re-measurement of the net defined benefit plan		14,45,197
	Fair value changes of various Financial instruments		3,03,160
	(ii) Income tax relating to items that will not be reclassified to profit & loss		
	Re-measurement of the net defined benefit plan		54,442
	Fair value changes of various Financial instruments		34,682
VIII	<b>Total other comprehensive income for the year, net of tax</b>		<b>12,31,160</b>
IX	<b>Total comprehensive income for the year (VII + VIII)</b> (Total of profit and other comprehensive income for the year)		<b>22,59,25,840</b>
	<b>Earnings per equity share of Rs. 10/- each (PY: Rs. 10/- each)</b>		
	(1) Basic		13.95
	(2) Diluted		13.95

The above statement of Profit and Loss should be read in conjunction with the accompanying notes.  
As per our report of even date attached

Raman S Shah & Co  
Chartered Accountants  
(Firm Regn No. 111919W)

Raman S Shah  
Proprietor  
M. No.033272  
Place : Mumbai  
Date - 20th May 2022  
UDIN -22033272ALIPHM7913



For Valiant Laboratories Limited

S.S. Vora  
Mr. Santosh Shantilal Vora  
DIN - 07633923  
(Managing Director)

P. Shah  
Mr. Paresh Shashikant Shah  
Director  
DIN - 08291953

Saloni Mehta  
Company secretary  
ICSI - A65706

valiant laboratories limited  
Statement of Changes in Equity for the period 31-03-2022

A. Equity Share Capital

Particulars	( Amount in Rs.)				
	Balance as on April 1, 2021	Changes in equity share capital due to prior period errors	Restated Balance at the current reporting periods	Changes in equity share capital during the period	Balance as on 31-03-2022
Ordinary Equity Shares	-	-	-	16,28,00,000	16,28,00,000
Share Capital Pending Allotment	-	-	-	-	-
<b>Total</b>	-	-	-	16,28,00,000	16,28,00,000

B. Other Equity

Particulars	Reserve and surplus				Total other equity
	Security Premium	General Reserve	Retained earnings	Equity instruments through Other Comprehensive Income	
<b>Balance as at 31st March 2021</b>	-	-	-	-	-
Changes in accounting policies and prior periods errors	-	-	-	-	-
<b>Restated balance at April 2021</b>	-	-	22,71,57,000.11	-	22,71,57,000.11
Net profit for the year	-	-	-	2,68,478.50	2,68,478.50
Fair value changes of various Financial intruments (net off tax)	-	-	(14,99,638.73)	-	(14,99,638.73)
Remeasurement Gain/(Loss) on defined benefit plan (net off tax)	-	-	-	-	-
Security Premium during the year	34,09,90,000.00	-	-	-	34,09,90,000.00
Transfers from Retained earnings to General reserves	-	-	-	-	-
Amount utilised for Dividend	-	-	-	-	-
Transfer to retained earnings on disposal of FVOCI equity instruments	-	-	-	-	-
Bonus issue during the year	(1,48,00,000.00)	-	(3,11,575.00)	-	(1,48,00,000.00)
Expenses incurred for issuance of Bonus Shares	-	-	-	-	(3,11,575.00)
Stamp Duty paid on Equity share	-	-	-	-	-
<b>Balance as at 31-March -2022</b>	32,61,90,000.00	-	22,53,45,786.38	2,68,478.50	55,18,04,264.87

- 1 The above Statement of Changes in Equity be read in conjunction with the accompanying notes.  
2 Retained Earnings include Remeasurement Loss (net of tax) on Defined Benefit Plans to the extent of Rs. 14.99 Lakhs.

As per our report of even date attached hereto.

Raman S Shah & Co  
Chartered Accountants  
(Firm Regn No. 111919W)

*(Signature)*

Raman S Shah  
Proprietor  
M. No.033272  
Place : Mumbai  
Date - 20th May 2022  
UDIN - 22033272ALIPHIM7913

For Valiant Laboratories Limited



*S.S. Vora*  
Mr. Santosh Shantilal Vora  
DIN - 07633923  
(Managing Director)

*(Signature)*  
Mr. Fareesh Shashikant Shah  
Director  
DIN - 08291953

*(Signature)*  
Saloni Mehta  
Company secretary  
ICSI - A65706

**VALIANT LABORATORIES LIMITED**

**Statement of Cash Flow for the Year Ended 31st March 2022**

PARTICULARS		31st March, 2022
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES ;</b>	
	Net Profit before tax and extra ordinary items	30,18,27,431
	Adjusted for:	
	Depreciation	1,61,75,208
	Interest Paid	2,41,942
	Gain/(Loss) on disposal of Property, Plant and Equipment (PPE)	(3,95,000)
	Rent Income	(45,00,000)
	<b>Operating Profit/(Loss) before Working Capital Changes</b>	<b>31,33,49,581</b>
	Adjusted for:	
	Deposits & Other Financial Assets	(91,95,822)
	Inventories	(15,80,38,082)
	Trade Payables	-
	Other Financial Liabilities	(3,47,87,622)
	Other Current Liabilities	(23,95,762)
	<b>Cash generated from operations</b>	<b>- 1,02,89,35,395</b>
	Income Tax Paid	(7,72,52,075)
	<b>Net cash from operating activities</b>	<b>- 1,10,61,87,470</b>
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>	
	Purchase of property, plant & equipment (including capital advances)	(5,87,96,900)
	Sale of property, plant & equipment	3,95,000
	Bank Balances not considered as Cash and Cash Equivalents	(20,00,00,000)
	Rent Received	45,00,000
	<b>Net Cash used in investing activities</b>	<b>(25,39,01,900)</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>	
	Interest Paid	(2,41,942)
	Proceeds / (Repayments) of Borrowings ( net )	1,28,06,691
	Proceeds / (Repayments) of Borrowings /Partner Capital	(49,35,29,702)
	Exp for issue of Share capital	(3,11,575)
	Proceeds / (Repayments) of share capital	48,89,90,000
	<b>Net Cash used in financing activities</b>	<b>77,13,472</b>
	<b>Net increase / (decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>(1,35,23,75,897)</b>
	Cash and Cash Equivalents at the beginning of the year	-
	<b>Cash and Cash Equivalents at the end of the year</b>	<b>(1,35,23,75,897)</b>

The above statement of Balance Sheet should be read in conjunction with the accompanying notes.

As per our report of even date attached

Raman S Shah & Co  
Chartered Accountants  
(Firm Regn No. 111919W)



*(Signature)*

Propreitor  
M. No.033272  
Place : Mumbai  
Date - 20th May 2022  
UDINo-

For Valiant Laboratories Limited

*G.S.Vora*  
Mr. Santosh Shantilal Vora  
DIN - 07633923  
(Managing Director)

*(Signature)*  
Mr. Paresh Shashikant Shah  
Director  
DIN - 08291953

*Saloni Mehta*  
Saloni Mehta  
Company secretary  
ICSI - A65706



**A Corporate Information**

VALIANT LABORATORIES LIMITED ("VOL" or "The Company") is listed entity incorporated in India. The registered office of the Company is located at 104 UDYOG KSHETRA 1ST FLOOR MULUND GOREGAON LINK ROAD MULUND (W) MUMBAI MH 400080 INDIA, The Company is engaged in manufacturing and dealing in Speciality Chemicals and Pharmaceuticals

The financial statements of the Company for the year ended 31.3.2022 were approved for issue in accordance with a resolution of the Board of Directors in its meeting held on 20th May 2022.

**General Principal**

The Company Valiant Laboratories Ltd was converted from Partnership Firm ( Bharat Chemicals ) to Ltd. The Company has prepared the opening Balance Sheet as per Ind AS as of 1st April, 2019 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in

However, this principle is subject to certain mandatory exceptions and certain optional exemptions availed by the Company as detailed below

**Classification of debt instruments:**

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

**B Basis of Preparation of Financial Statements**

The financial statements have been prepared in accordance with Generally Accepted Accounting Principles in India (referred to as "IND AS") as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

These Financial statement are prepared under the historical cost convention on an accrual basis except for certain financial instrument, which are measured at fair value, which are disclosed in the financial statement.

The classification of assets and liabilities of the company is done into current and non-current based on the operating cycle of the company. The Operating cycle of the business of the company is less than twelve months and therefore all current and non-current classification are done on the status of reliability and expected settlement of the respective assets and liability within a period of twelve months from the reporting date as required by Schedule III to the companies Act 2013.

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

The financial statements are presented in Indian rupees ("INR ") and all valued are rounded to the nearest rupees in lakhs except otherwise indicated

**C Significant accounting judgement, estimates, and assumption**

The preparation of financial statements requires management judgements, estimates and assumptions that impacts the reported amounts of revenues, expenses, assets and liabilities, and the accompanying notes thereon. Uncertainty about these assumptions and estimates could result in outcomes that might require a material adjustment to the carrying amount of assets and liabilities in future periods.

**Estimates**

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

**Judgments**

The company's management has made the following judgement, which have the most significant effect on the amounts recognised in the separate financial statements, while formulating the company's accounting policies.

**a Taxes**

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. Deferred income tax reflect the current period timing differences between taxable income and accounting income and reversal of timing differences of earlier years/period. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation or losses, are recognised if there is virtual certainty that sufficient future taxable income will be available to realise the same.

Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the Balance Sheet date. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**b Defined Benefit Plans ( Gratuity Benefits)**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**Discount rate:** - The said parameter is subject to change. In determining the appropriate discount rate (for plans operated in India), the management considers the interest rates of government bond in currencies which are consistent with post-employment benefit obligation. The underlying bonds are reviewed periodically for quality. Those having excessive credit spreads are excluded from the analysis since that they do not represent high quality corporate bonds.

**Mortality rate:** It is based on publicly available mortality tables. Those mortality tables tend to change at an interval in response to demographic changes. Prospective increase in salary and gratuity are based on expected future inflation rates.

**c Useful lives of property, plant and equipment**

The company reviews the useful life of property, plant & equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods

**d Impairment of property, plant and equipment**



For property, plant and equipment and intangibles an assessment is made at each reporting date to determine whether there is an indication that the carrying amount may not be recoverable or previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised.

**e Inventories**

The Company estimates the net realisable value (NRV) of its inventories by taking into account estimated selling price, estimated cost of completion, estimated costs necessary to make the sale, obsolescence considering the past trend. Inventories are written down to NRV where such NRV is lower than their cost.

**f Recognition and measurement of other Provisions**

The recognition and measurement of other provisions is based on the assessment of the probability of an outflow of resources, and on past experience and circumstance known at the closing date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

**D Summary of Significant accounting policies**

**i Current and non-current classification**

All assets and liabilities have been classified as current or non-current as per company's normal operating cycle and other criteria set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation 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.

**An asset is treated as current when :-**

- It is expected to be realised or intended to be sold or consumed in normal operating cycle;
- It is held primarily for the purpose of trading
- It is expected to be realised within 12 months after the reporting period; or
- It is cash and cash equivalent unless restricted from being exchange or used to settle a liability for at least twelve months after the reporting period

The company's classifies all other assets as Non-Current

**A Liability is treated as current when**

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

The company's classifies all other assets as Non-Current

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

**II Property, plant and equipment (PPE)**

- i** Property, plant and equipment are stated at cost net of tax /duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. Cost comprises of purchase price inclusive of taxes, commissioning expenses, etc. up to the date the asset is ready for its intended use. when significant parts of property, plant and equipment are required to be replaced at intervals, the company derecognizes the replace part, and recognizes the new part with its own associated useful life and it is depreciated accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance cost are recognised in the statement of profit and loss as incurred.
- ii** Long term lease arrangements of land are treated as property, plant and equipment, in case such arrangements result in transfer of control and the present value of the lease payments is likely to represent substantially all of the fair value of the land.
- iii** Capital Work In Progress represents expenditure incurred on capital assets that are under construction or are pending capitalisation and includes Project expenses pending allocation. Project expenses pending allocation are apportioned to the property, Plant and equipment of the project proportionately on capitalisation.
- iv** Borrowing cost on property, plant and equipment's are capitalised when the relevant recognition criteria specified in IND AS 23 Borrowing cost is met.
- v** Decommissioning costs, if any, on property, plant and equipment are estimate at their present value and capitalised as part of such assets.
- vi** An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected with the carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repair and maintenance are charge to profit or loss during the reporting period in which they are incurred.
- vii** The residual value and useful lives of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.
- viii** The Property, plant and equipment existing on the date of transition are accounted on deemed cost basis by applying para D7AA in accordance with the exemption provided in IND AS 101 "First-time Adoption of Indian Accounting Standards" at previous GAAP carrying value ( Deemded Cost ).

**III Depreciation methods, estimated useful lives and residual value**

Depreciation on Fixed Assets is provided on Straight Line Method (SLM) method as per rates prescribed in Schedule II of the Companies Act, 2013, except in the respect of the following assets, where useful life of asset is different than those prescribed in Schedule II of the Act.

Particulars	Depreciation
Factory Building (Useful 30 Years )	Over its useful life as assessed
Plant & Machinery (Useful life 19 years)	Over its useful life as assessed
Vehicle (Useful life 10 years)	Over its useful life as assessed
Leasehold Land	Over the period of lease term

**IV Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an assets that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

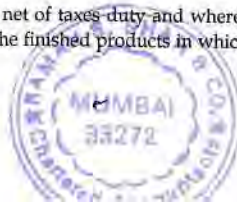
In determining the amount of borrowing costs eligible for capitalization during a period, any income earned on the temporary investment of those borrowings is deducted from the borrowing costs incurred.

**V Inventories**

Items of inventories are valued lower of cost or estimated net realisable value as given below.

**i Raw Materials and Packing Materials:**

Raw Materials and packing materials are valued at Lower of Cost or market value, (Cost is net of taxes duty and wherever applicable). However materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Costs are determined on Weighted Average method



**ii Work in process:**

Work in process are valued at the lower of cost and net realizable value. The cost is computed on weighted average method.

**iii Finished Goods and Semi finished goods :-**

Finished Goods and Semi finished goods are valued at lower of cost and net realised value. The cost is computed on weighted average method and includes cost of materials, cost of conversion and other cost incurred in acquiring the inventory and bringing them to their present location and condition. Taxes is considered as cost for finished goods, whenever applicable.

**iv Stores and Spares:**

Stores and spare parts are valued at lower of purchase Costs are determined on Weighted Average method and net realisable value.

**v Traded Goods:**

Traded Goods are valued at lower of purchase cost and net realisable value.

**VI Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposit with banks, which are short term, highly liquid investment, that are readily convertible into known amounts of cash and which are subject to insignificant risk of change in value.

**VII Equity investment**

All equity investment in scope of INDAS 109 are measured at fair value. Equity instruments, which are held for trading, are classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by instrument basis. the classification is made on initial recognition and is irrevocable. if the company decides to classify an equity instrument as at FVTOCI, then all fair value change on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, The company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit & loss.

**VIII Foreign Currency Translation:**

The company's financial statements are presented in INR, which is also the company's functional currency.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognized as income or expenses in the period in which they arise,

**IX Provisions, Contingent Liabilities and Contingent Assets**

**i Provisions**

The Company recognizes a provision when: it has a present legal or constructive obligation as a result of past events, it is likely that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses. Provisions are reviewed at each balance sheet and adjusted to reflect the current best estimates.

**ii Contingent liabilities**

Contingent liabilities are disclosed in respect of possible obligations that arise from past event, whose existence would be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent liability also arises, in rare cases, where a liability cannot be recognised because it cannot be measured reliably.

**iii Contingent Assets**

A contingent assets is not recognised unless it become virtually certain that an inflow of economic benefit will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements. Contingent liabilities and contingent assets are reviewed at each balance sheet date

**X Onerous contracts**

A provision for onerous contracts is measured at the present value of the lower expected costs of terminating the contract and the expected cost of continuing with the contract. Before a provision is established, the Company recognizes impairment on the assets with the contract.

**XI Fair Value Measurement**

The company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either: -

- In the principal market for the asset or liability, or

- In the absence of a principal market, in the most advantageous market for the asset or liability The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest."

A fair measurement of a non financial assets takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All Assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole :-

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

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly and indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly and indirectly unobservable.

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

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

**XII Revenue Recognition**

**i Revenue from Operations :**



Ind AS 115 is effective from 1st April 2018 and it replaces Ind AS 18. It applies, with limited exceptions, to all revenue arising from contracts with its customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. It also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the company expects to receive in exchange for those products or services.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is recognized at point in time when the performance obligation with respect to Sale of Chemicals or rendering of services to the Customer which is the point in time when the customer receives the goods and services.

Revenue from related parties is recognized based on transaction price which is at arm's length.

Revenue is measured at the fair value of the consideration received or receivable, after the deduction of any trade discounts, volume rebates, sales return on transfer of control in respect of ownership to the buyer which is generally on dispatch of goods and any other taxes or duties collected on behalf of the Government which are levied on sales such as Goods and Services Tax (GST). Discounts given include rebates, price reductions and other incentive given to customers. No element of financing is deemed present as the sales are made with a payment term which is consistent with market practice.

Revenue from services is recognised when all relevant activities are completed and the right to receive income is established. This is applicable in case of Job Work services given by the Company to the Customers.

The Company disaggregates revenue from sale of goods or rendering of services with customers by product classification, geographical region and customer category.

#### Use of significant judgements in revenue recognition

The company assesses the service promised in a contract and identifies distinct performance obligation in the contract. Identification of distinct preformation obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

Judgement is also required to determine the transaction price for the contract. The transaction price could be either a fixed amount of customer consideration or variable consideration with elements such as volume discounts, service level credits, price concessions. The transaction price is also adjusted for the effects of the time value of money if the contract includes a significant financial component.

The company used judgement to determine an appropriate standalone selling price for a performance obligation. The Company allocates the transaction price to each performance obligation on the basis of the relative standalone selling price of each distinct service promised in the contract.

#### ii Other Operating Income / Other Income

Eligible export incentives are recognised in the year in which the conditions precedent are met and there is no significant uncertainty about the collectability. In respect of incentives attributable to the export of goods, the Company following the accounting principle of matching revenue with the cost has recognised export incentive receivable when all conditions precedent to the eligibility of benefits have been satisfied and when it is reasonably certain of deriving the benefit. since these schemes are meant for neutralisation of duties and taxes on inputs pursuant to exports, the same are grouped under material costs.

The other export incentives that do not arise out of neutralisation of duties and taxes are disclosed under other operating revenue

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.

Revenue in respect of Insurance / other claims, commission etc. are recognised only when it is reasonably certain that the ultimate collection will be made.

Dividend income is recognised when the right to receive the same is established

Current investments are marked to market at the end of the relevant period and the resultant gains or losses are recognised in the Income statement.

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments

Insurance Claim are accounted when the right to receive is established and the claim is admitted by the surveyor

### XIII Taxes

Tax expenses comprise Current Tax and Deferred Tax.:

#### i Current Tax

Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments/ appeals.

Current income tax relating to item recognized directly in equity is recognized in equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

#### i Deferred Tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amount in the standalone financial statement for financial reporting purposes at the reporting date.

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 utilized. Unrecognized deferred tax assets are reassessed at each reporting and are recognized to the extent that it has become probable that future taxable profits will the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or liability settled, based on the tax rates (tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The break-up of major components of deferred tax assets and liabilities as at balance sheet date has been arrived at after setting off deferred tax assets and liabilities where the Company have a legally enforceable right to set-off assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws. For items recognised in OCI or equity, deferred / Current tax is also recognised in OCI or Equity.

### XIV Leases :

Form 16-08-2021:

At the inception of each lease, the lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.



#### operating lease

Lease in which a significant portion of the risk and reward of ownership are not transferred to the company as lessee are classified as operating lease.

Payments made under operating leases (net of any incentives received from the lessor) are charge to statement of profit and loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected general inflation to compensate for the lessor's expected inflationary cost increase.

#### Finance Lease

Assets leased by the Company in its capacity as lessee where substantially all the risks and rewards of ownership vest in the company are classified as finance lease. A Finance lease is recognized as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset and the present value of the minimum lease payments.

Minimum lease payments made under finance lease are apportioned between the finance expense and the reduction of the outstanding liability. The Finance expenses is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Leasehold lands are amortized over the period of lease. Buildings constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the companies Act, 2013, where the lease period of land is beyond the life of the building. In other cases, buildings constructed on leasehold lands are amortized over the primary lease period of the lands.

#### As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increase. The respective leased assets are included in the balance sheet based on their nature. The Company did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

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

Revenue expenditure on Research and Development is charged to statement of profit and loss in the year in which it is incurred. Capital expenditure on research and development is considered as an addition to property, plant and equipment/intangible assets.

#### **XVI Dividend Distribution :**

Dividend distribution to the company's equity holders is recognized as a liability in the company's annual accounts in the year in which the dividends are approved by the company's equity holders.

#### **XVII Trade Payables & Trade Receivables**

A Payable is classified as a 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year which are unpaid. These amounts are unsecured and are usually settled as per the payment terms stated in the contract. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

A receivable is classified as a 'trade receivable' if it is in respect of the amount due to account of goods sold or services rendered in the normal course of business.

#### **XVIII Government Grants :**

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

Government grants relating to the purchase of property, plant and equipment are included in liabilities as deferred income and are credited to the statement of profit and loss in a systematic basis over the expected life of the related assets and presented within other 'income.

Government grants relating to income are deferred and recognised in the statement of profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

#### **XIX EARNINGS PER SHARE**

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

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

#### **Previous Year Figures**

Figures for the previous year are not comparable as the same does not include the effect of the Scheme of Merger. Figures for the previous year has not been presented as VLL converted on 16-08-2021.



Particulars	Leasehold	Freehold	Buildings	Plant & Equipments	Plant & Equipments Energy Saving Device	Electric Installation	Laboratory Testing Equipments	Furniture & Fixture	Vehicles	Office Equipments	Computers	ROU	Total	Capital Work in Progress (CWIP)
Year ended March 31, 2022: Gross carrying amount														
Opening gross carrying amount as at 6th August, 2021	3,20,00,000.00	-	8,57,19,798.67	11,65,29,874.61	5,000.00	13,71,883.05	6,28,667.14	5,40,739.00	80,31,627.90	4,63,656.75	1,69,603.71	57,22,286.00	25,11,83,136.83	
Addition	1,29,87,580.00	-	1,13,15,235.64	2,20,61,139.07	-	2,44,985.00	33,259.00	66,868.75	32,05,719.00	1,01,610.00	1,83,077.75	41,11,465.61	5,43,10,909.82	
Assets capitalised during the year from CWIP	-	-	17,97,600.00	40,00,000.00	-	4,65,000.00	-	-	16,99,239.00	-	-	-	79,61,839.00	
Closing gross carrying amount	4,49,87,580.00	-	9,52,37,434.31	13,45,91,013.68	5,000.00	11,51,838.05	6,61,926.14	6,07,607.75	95,38,107.90	5,65,266.75	3,52,681.46	98,33,751.61	29,75,32,207.65	1,44,45,377.80
Accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Opening accumulated depreciation	-	-	1,58,35,191.00	3,09,49,883.00	1,388.00	3,74,538.00	1,31,521.00	89,733.00	22,15,898.00	88,095.00	79,218.00	35,28,382.00	5,32,93,867.00	
Depreciation charge during the year	83,95,260.24	-	49,68,408.38	85,20,451.25	265.13	1,14,517.63	65,915.25	51,911.50	8,98,421.00	55,342.13	61,030.38	17,68,089.83	2,48,99,515.70	
Disposals	-	-	(6,12,651.88)	(9,84,886.00)	-	46.13	(4,418.00)	(1,084.13)	(12,73,082.79)	(53,086.00)	(3,063.63)	-	(29,32,226.29)	
Closing accumulated depreciation	83,95,260.24	-	2,01,90,947.50	3,94,85,448.25	1,653.13	4,89,121.75	1,93,018.25	1,40,563.38	18,41,236.21	90,251.15	1,37,484.75	52,96,471.83	7,52,61,156.41	
Net carrying amount	3,65,92,319.76	-	7,50,46,486.81	9,61,05,565.43	3,346.88	6,62,716.30	4,68,907.89	4,67,044.38	76,96,871.69	4,75,015.63	2,15,196.71	45,37,279.78	22,22,71,051.25	1,44,45,377.80

Capital Work-in-Progress (CWIP) Ageing Schedule

As at 31st March 2022

	< 1 Year	1- 2 Years	2- 3 Years	> 3 Years	Total
Projects in progress	1,44,45,377.80	-	-	-	1,44,45,377.80
Projects temporarily suspended	-	-	-	-	-
Total	1,44,45,377.80	-	-	-	1,44,45,377.80



3 Other Investments

Particulars	(Amount In Rs.)	
	March 31, 2022	
Other Investments		
- Investments in Equity Shares		40,20,608
<b>Total</b>		<b>40,20,608</b>

I. Investments carried at fair value through OCI:	March 31, 2022	
	No. of Shares	Amount
Investments in Equity Shares (Quoted)		
- BankBee (FV Rs.10)	11000	40,20,608
<b>Total</b>	<b>11000</b>	<b>40,20,608</b>

Aggregate value of quoted investments and its market value is Rs. 40.20 lakhs (PY NIL).

4 Financial Assets - Security Deposit

Particulars	March 31, 2022	
Other Non Current Assets		
(a) Capital Advances		
(b) Security Deposits with Electricity Department & Other Departments		
<b>Total</b>		<b>61,02,895</b>

5 Inventories

Particulars	March 31, 2022	
Inventories*		
(a) Raw materials		10,88,72,135
(b) Work-in-progress		2,67,75,000
(c) Finished goods		2,16,75,650
(d) Component & Accessories		7,15,297
<b>Total</b>		<b>15,80,36,082</b>

5A Goods in Transit

Particulars	March 31, 2022	
Inventories*		
Note :- Goods in Transit Figures as mention in Note 5A is included in Raw Materials in Note No 5		2,16,40,073

6 Trade Receivables

Particulars	March 31, 2022	
Trade receivables		
(a) Receivables outstanding for more than six months		
Unsecured considered good		-
Unsecured considered doubtful		-
Less: provision for bad and doubtful debts		-
(b) Other receivables (Unsecured considered good)		-
Refer Note 32(v) for trade receivable hypothecated as security for borrowings		1,10,76,91,543
<b>Total</b>		<b>1,10,76,91,543</b>

(a) Due to the short nature of credit period given to customers, there is no financing component in the contract.

(b) The Company applies the expected credit loss (ECL) model for measurement and recognition of impairment losses on trade receivables. The Company follows the simplified approach for recognition of impairment allowance on trade receivables. The application of the simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment allowance based on lifetime ECLs at each reporting date. ECL impairment loss allowance (or reversal) recognised during the period is recognised in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss.

(d) Trade receivables (current) ageing :

As at 31 March, 2022

	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 Month	6 Month to 1 Year	1-2 Year	2-3 Year	More than 3 Year	
(i) Undisputed Trade Receivables - considered good	98,87,71,128	9,66,48,698	1,77,14,750	-	-	45,56,967	1,10,76,91,543
(ii) Undisputed Trade Receivables - credit impaired							
(iii) Disputed Trade Receivables - considered good							
(iv) Disputed Trade Receivables - credit impaired							
<b>Total</b>	<b>988771128</b>	<b>96648698</b>	<b>17714750</b>	<b>0</b>	<b>0</b>	<b>4556967</b>	<b>1,10,76,91,543</b>

7 Cash and Cash Equivalents

Particulars	March 31, 2022	
Cash and Cash Equivalents		
(a) Balances with banks		1,07,774
(b) Cash on hand		12,01,797
<b>Total</b>		<b>13,12,571</b>

8 Other Bank Balances

Particulars	As at 31st March, 2022	
Other Bank Balances		
(a) Earmarked balances with banks : Balance in Dividend Accounts		
(b) Fixed Deposits with maturity for Less than twelve months kept as security Deposit with Government Department		20,00,00,000
<b>Total</b>		<b>20,00,00,000</b>

9 Other Current Assets

Particulars	March 31, 2022	
Other Current Assets		
(a) Balances with Central Excise / Service Tax / VAT / Goods & Service Tax		53,51,028
(b) Advances recoverable in kind or for value to be received		72,22,600
(c) Prepaid Expenses		15,22,294
(d) Loan to Employees		14,000
(e) Other Receivable		78,841
<b>Total</b>		<b>1,41,88,763</b>

Current Tax Assets (Net)

Particulars	March 31, 2022	
Other Current Assets		
Advance Tax and Tax Deducted at Source (Net of Provision)		1,59,87,382
<b>Total</b>		<b>1,59,87,382</b>



## 11 Equity Share Capital

### 11.1 Authorised Share Capital

Particulars	Number	Amount
<b>Authorised:</b>		
2,30,00,000 Equity Shares of Rs. 10/- each	2,30,00,000	23,00,00,000
<b>Total</b>	<b>2,30,00,000</b>	<b>23,00,00,000</b>

#### Issued, Subscribed & Paid Up:

Particulars	Number	Amount
<b>Equity Share Capital</b>		
Add: Equity Shares allotted during the year	1,05,00,000	10,50,00,000
Add: Right Share issue during the year	43,00,000	4,30,00,000
Add: Issue of Bonus Shares	14,80,000	1,48,00,000
<b>1,62,80,000.Equity Shares of Rs. 10 each (March 31, 2021 - Nil)</b>	<b>1,62,80,000</b>	<b>16,28,00,000</b>

### 11.2 Reconciliation of Equity Shares Outstanding

#### A. Reconciliation of number of ordinary equity shares outstanding

Ordinary Equity Shares Outstanding	March 31, 2022	
	Number	Amount
Shares outstanding at the beginning of the year	-	-
Add: Equity Shares allotted during the year	1,05,00,000	10,50,00,000
Add: Right issue during the year	43,00,000	4,30,00,000
Add: Issue of Bonus shares	14,80,000	1,48,00,000
<b>Shares outstanding at the end of the year</b>	<b>1,62,80,000</b>	<b>16,28,00,000</b>

### 11.3 Details of Shares held by each shareholder holding more than 5% shares

Ordinary Equity Shares	March 31, 2022	
	Number	% of Holding
- Dhanvallabh Ventures LLP	1,01,75,000	62.50%
- Paresh Shashikant Shah	20,33,845	12.49%
- Shantilal Shivji Vora	16,29,595	10.01%
- Santosh Shantilal Vora	16,29,595	10.01%

### 11.4 Details of Shares held by each Promoters

Optionally Convertible Preference Shares (Instruments entirely equity in nature)	March 31, 2021	
	Number	% of Holding
- Dhanvallabh Ventures LLP	1,01,75,000	62.50%
- Paresh Shashikant Shah	20,33,845	12.49%
- Shantilal Shivji Vora	16,29,595	10.01%
- Santosh Shantilal Vora	16,29,595	10.01%
- Kanchan Shantilal Vora	8,07,345	4.96%
- Rachi Santosh Vora	3,465	0.02%
- Varsha Paresh Shah	1,155	0.01%

### 11.5 Rights, preferences and restrictions attached to equity shares

#### Equity Shares

The Company has only one class of Shares referred to as Equity Shares having par value of ` 10. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.





12 Other Equity

Particulars	March 31, 2022
a. Securities Premium	32,61,90,000
b. General Reserve	-
c. Retained Earning	22,53,45,786
d. Other Comprehensive Income	2,68,478
<b>Total, Other Equity</b>	<b>55,18,04,265</b>

Nature and Purpose of Reserves

General Reserve

General reserve represents amount appropriated out of retained earnings pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

Retained Earning

Retained earning are the profits that the Company has earned till date, less any transfers to general reserve, any transfers from or to other comprehensive income, dividends or other distributions paid to shareholders.

Equity instruments through Other Comprehensive Income

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI equity instruments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are de-recognised.

a. Securities Premium

Particulars	March 31, 2022
Opening Balance	-
Add - Reserve During the year	34,09,90,000.00
Less - Bonus Share issue during the year	(1,48,00,000.00)
<b>Closing Balance</b>	<b>32,61,90,000.00</b>

b. General Reserve

Particulars	March 31, 2022
Opening Balance	-
Add : Transferred from Retained Earning	-
<b>Closing Balance</b>	<b>-</b>

c. Retained Earning

Particulars	March 31, 2022
Retained Earning	
Opening Balance (Surplus in Profit & Loss)	-
Add: Net Profit for the year	22,71,57,000.11
Less: Remeasurement (Loss) on defined benefit plan (net off tax)	(14,99,638.73)
Add: Transferred from Other Comprehensive Income on disposal of FVOCI equity instruments	
<b>Amount available for appropriation</b>	<b>22,56,57,361.38</b>
Appropriation:	
Interim Dividend	
Tax on Interim Dividend	
Issuance of Bonus Shares	
Expenses incurred for issuance of Bonus Shares	
Staff Duty paid on Equity share	(3,11,575.00)
Transferred to General Reserve	
<b>Closing Balance</b>	<b>22,53,45,786.38</b>

d. Other Comprehensive Income (OCI)

Particulars	March 31, 2022
Opening Balance	
Add: Fair value changes of various Financial instruments (net off tax)	2,68,478.50
Less : Transfer to retained earnings on disposal of FVOCI equity instruments	
<b>Closing Balance</b>	<b>2,68,478.50</b>



13 Non-current Borrowings

Particulars	March 31, 2022
Non-Current Liabilities-Financial Liabilities	
Borrowings-Non Current	
Secured- At Amortised Cost	-
BOB Secured Car Loan	-
Unsecured Loans	59,40,01,972
<b>Total</b>	<b>59,40,01,972</b>

13A Borrowings-Current

Particulars	March 31, 2022
Borrowings-Current	
Secured -At Amortised Cost	-
Cash Credit Facility	1,28,06,691
<b>Total</b>	<b>1,28,06,691</b>

Footnotes:

- Working capital facilities from banks as at March 31, 2022 amounting to Rs. 128.06 lakhs were secured by a first pari passu charge on the stock of raw materials, finished goods, stock in process, consumable stores, book debts of the Company & Immovable Property - Factory Land & Building at L-13, L-28, L-28PT, L-29 and L-30 at MIDC Tarapur. These credit facilities carry average interest rates in the range of 6.50% to 9.50% (31 March, 2022).
- The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- There are no material differences between the quarterly statements of stock filed by the company with banks and the books of accounts.
- The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

14 Lease Liability

Particulars	March 31, 2022
Lease Liability	26,70,700
<b>Total</b>	<b>26,70,700</b>

14A Lease Liability - Short term Liability

Particulars	March 31, 2022
Lease Liability	17,83,603
<b>Total</b>	<b>17,83,603</b>

Footnotes:

- The Company has lease contracts for its office premises and godowns with lease term between 1 year to 3 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets. The Company also has certain leases of office premises and godowns with lease terms of 12 months or less. The Company applies the 'short-term lease' recognition exemptions for these leases.

- The movement in lease liabilities during the year ended 31 March, 2022 and 31 March, 2021 is as follows:

	As at March 31, 2022
Balance at the beginning	-
Additions	55,33,121.13
Accretion of interest	1,21,182.14
Payment of lease liabilities	(12,00,000.00)
<b>Balance at the end</b>	<b>44,54,303.26</b>
Non-current	26,70,700.26
Current	17,83,603.00

The following are the amounts recognised in profit or loss:

	As at March 31, 2022
Depreciation on right-of-use assets	4,44,948
Interest expense on lease liabilities	1,21,182
Expense relating to short-term leases	12,00,000
<b>Total amount recognised in statement of profit and loss</b>	<b>17,66,130</b>

15 INCOME TAXES

Major components of deferred tax liabilities/(assets) arising, on account of timing difference:  
As at 31st March, 2022

	As on 1st April, 2021	Charge / (Credit) to Statement of Profit and Loss	Charge / (Credit) to Other Comprehensive Income	As on 31st March, 2022
(a) Deferred tax liabilities, on account of:				
Difference between WDV of depreciable fixed assets as per the books	55,25,104.26	(26,32,510.00)		28,92,594.26
(b) Deferred tax assets, on account of:				
Provision for expense allowed for tax purpose on payment basis (Net)				-
Remeasurement of the defined benefit plans through OCI			54,441.73	54,441.73
Difference in carrying value and tax base of investments in equity			34,681.50	34,681.50
Difference in Right-of-use asset and lease liabilities		(20,733.94)		(20,733.94)
Deferred tax expense/(benefit) for the year				
(c) Net Deferred tax liabilities	55,25,104.26	(26,53,243.94)	89,123.24	29,60,983.56

The major components of Income Tax Expense for the year:

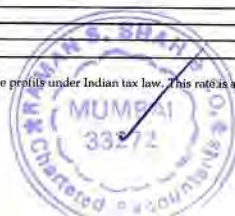
	For the Year Ended 31-Mar-2022
(i) Income tax recognised in the Statement of Profit and Loss	
Current tax	
For current year	7,72,52,075.00
In respect of short tax provision for earlier years	
Deferred tax	
For current year	(26,32,510.00)
Income tax expense recognised in the Statement of Profit and Loss	7,46,19,565.00
(ii) Income tax expense recognised in Other Comprehensive Income	
Current tax	
Income tax on net gain on liquidation of investments in equity	
Deferred tax	
Income tax (expense) /benefit on remeasurement of defined benefit	(54,441.73)
Income tax benefit/(expense) on net fair value gain on investments in	(34,681.50)
Income tax benefit / (expense) recognised in OCI	(89,123.24)

C Reconciliation of tax expense and accounting profit for the year:

	For the Year Ended 31-Mar-2022
Profit before tax	30,17,76,565.11
Income tax expense calculated at 25.168%	7,59,51,125.91
Tax effect on non-deductible expenses	40,70,976.47
Effect of concessions (depreciation under income tax act)	(64,51,061.76)
Effect of Income which is taxed at special rates	-
Others	36,81,034.39
<b>Total</b>	<b>7,72,52,075.00</b>
Adjustment of tax relating to earlier periods	-
Tax expense as per Statement of Profit and Loss	7,72,52,075.00

Footnote:

The tax rate used for reconciliation above is the corporate tax rate of 25.168% payable by corporate entities in India on taxable profits under Indian tax law. This rate is applicable subject to certain conditions, including that the total income should be computed without claiming specific deduction or exemptions.



Other Non-Current Liabilities		
Particulars		March 31, 2022
Other Non-Current Liabilities		
AARTI INDUSTRIES LTD		
Total		96,13,766
		96,13,766

Trade Payables		
Particulars		March 31, 2022
Trade Payables**		
Trade payables *		
Total		39,72,43,503
		39,72,43,503

As at 31st March, 2022

	Outstanding for the following periods from due date of payment						TOTAL
	Unbilled	Not Due	< 1 year	1 Year - 2 Years	2-3 Years	> 3 Years	
(i) MSME							
(ii) Others		39,56,25,384	12,17,933	3,26,240	34,800	39,146	39,72,43,503
(iii) Disputed Dues - MSME							
(iv) Disputed Dues - Others							

Disclosures under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (as amended)

	As at March 31, 2022
(i) (a) Principal amount remaining unpaid to any supplier	-
(b) Interest on (i)(a) above	-
(ii) The amount of interest paid along with the principal payment made to	-
(iii) Amount of interest due and payable on delayed payments	-
(iv) Amount of further interest remaining due and payable for the earlier	-
(v) Total outstanding dues of Micro and Small Enterprises	-
- Principal	-
- Interest	-

18 Other Financial Liabilities		
Particulars		March 31, 2022
Other Financial Liabilities		
Current maturities of long term debt		
Unpaid dividends		-
Due to Employees		-
Other Payables		
Total		76,88,898
		76,88,898

19 Other Current Liabilities		
Particulars		March 31, 2022
Other Current Liabilities		
Advance against sales		
Statutory Dues		-
Total		6,83,783
		6,83,783



**VALIANT LABORATORIES LIMITED**

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

**20 Revenue from Operations**

Particulars	For the period 16th Aug to 31th March, 2022
<b>Revenue from Operations</b>	
Revenue from sale of Manufactured Product (Net)	2,08,24,43,548
<b>Total</b>	<b>2,08,24,43,548</b>

Footnotes:

(a) Reconciliation of revenue as per contract price and as recognised in the Statement of Profit and Loss:

Particulars	For the Year Ended 31-Mar-2022
Revenue as per contract price	2,08,24,43,547.60
Less: Discount	-
Revenue as per the Statement of Profit and Loss	2,08,24,43,547.60

(b) Disaggregate revenue information

Refer Note 35 for disaggregated revenue information. The management determines that the segment information reported is sufficient to meet the disclosure objective with respect to disaggregation of revenue under Ind AS 115 "Revenue from contracts with customers".

(c) In case of Domestic Sales, payment terms range from 60 days to 100 days based on geography and customers. In case of Export Sales these are either against documents at sight, documents against acceptance or letters of credit - 60 days to 120 days. There is no significant financing component in any transaction with the customers.

(d) The Company does not provide performance warranty for products, therefore there is no liability towards performance warranty.

(e) The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration.

**Other Income**

Particulars	For the period 16th Aug to 31th March, 2022
<b>Other Income</b>	
Delayed Payment Charge Recived	5,53,196
Other Income	1,50,192
FOREIGN EXCHANGE DIFFERENCE	58,13,552
Sale of Scrap	90,244
Interest on Statutory dues Refund	5,62,246
Rent Income	45,00,000
Interest Received	49,49,694
Interest on Right to Use Assets	29,946
<b>Total</b>	<b>1,66,49,070</b>

Foreign exchnage Gain include net impact of Rs. 53.13 lakhs (gain/loss) on foreign currency trade receivables and trade payables.

**Cost of Materials Consumed**

Particulars	For the period 16th Aug to 31th March, 2022
<b>Cost of Materials Consumed</b>	
Opening Stock	
Raw Material	24,63,18,085
Add: Purchases During the Year	
Raw Material	1,66,12,64,354
Less: Closing Stock	
Raw Material	21,78,81,509
<b>TOTAL</b>	<b>1,68,97,00,930</b>

**Changes in Inventories**

Particulars	For the period 16th Aug to 31th March, 2022
<b>Changes in Inventories of Finished Goods &amp; Work in Progress</b>	
Closing Stock	
Finished Goods	10,57,73,975
Work-in-Process	
Less : Opening Stock	10,57,73,975
Finished Goods	9,13,79,325
Work-in-Process	9,13,79,325



TOTAL	(1,43,94,650)
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### 23 Employee Benefits Expense

Particulars	For the period 16th Aug to 31st March, 2022
<b>Employee Benefits Expense</b>	
Salaries & Wages	1,90,71,327
Contribution to Provident and Other Funds	9,23,649
Staff Welfare Expenses	4,03,404
Remuneration to Partners/Directors	15,70,000
Gratuity Paid	17,71,154
Gratuity Indas -Impact	-
<b>TOTAL</b>	<b>2,22,94,337</b>

#### A. Post-employment benefits

##### (i) Provident Fund (defined contribution plan)

The company has certain defined contribution plans. Contributions are made to provident fund for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognized during the period towards defined contribution plan are Rs 6,90,323/-.

##### (ii) Retirement Gratuity (defined benefit plans)

The company provides for gratuity for employees as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees' last drawn basic salary per month computed proportionately for 15 days salary multiplied by number of years of service. The gratuity plan is a funded plan and the company makes contributions to recognised funds in India. The company maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

Aforesaid post-employment benefit plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, salary risk and longevity risk.

(i) **Investment risk:** The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government bond yields. If the return on plan asset is below this rate, it will create a plan deficit.

(ii) **Interest risk:** A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the value of plan's debt investments.

(iii) **Salary risk:** The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in salary of the plan participants will increase the plan's liability.

(iv) **Longevity risk:** The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

#### Details of defined benefit obligations and plan assets (Gratuity)

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows :

	For the Year Ended 31-Mar-2022
<b>Change in defined benefit obligations:</b>	
Obligation at the beginning of the year	78,64,152.00
Current service cost	17,77,497.00
Interest costs	5,39,481.00
Remeasurement (gain)/loss	(10,58,697.00)
Benefits paid	
<b>Obligation at the end of the year</b>	<b>91,22,433.00</b>

	For the Year Ended 31-Mar-2022
<b>Change in plan assets:</b>	
Fair value of plan assets at the beginning of the year	77,66,081.00
Interest income	5,32,753.00
Remeasurement gain/(loss) excluding amount included within employee benefit expense	19,61,137.00
Employers' contribution	
Benefits paid	-10,58,697
<b>Fair value of plan assets at the end of the year</b>	<b>92,01,274.00</b>

	For the Year Ended 31-Mar-2022
Present Value of Obligation	91,22,433.00



Fair Value of Plan Assets	92,01,274.00
Recognised as:	(78,841.00)
Provision for Gratuity (non-current)	
Provision for Gratuity (current)	

Expense/(gain) recognised in the statement of profit and loss consists of:

	For the Year Ended 31-Mar-2022
<b>Employee benefits expenses:</b>	
Current service cost	3,19,229.00
Net interest expense	6,728.00
	3,25,957.00
<b>Other comprehensive income</b>	
Return on plan assets excluding amount included in employee benefits expense	(13,071.00)
Actuarial (gain)/loss arising from changes in demographic assumption	14,58,268.00
Actuarial (gain)/loss arising from changes in financial assumption	
Actuarial (gain)/loss arising from changes in experience adjustments	
	14,45,197.00
<b>Expense/(gain) recognised in the statement of profit and loss</b>	<b>17,71,154.00</b>

	For the Year Ended 31-Mar-2022
<b>Asset category</b>	
Insurance fund	92,01,274.00
<b>Total</b>	<b>92,01,274.00</b>

Key assumptions used in the measurement of retiring gratuity is as below:

	For the Year Ended 31-Mar-2022
<b>Financial Assumptions:</b>	
Discount Rate	7.23%
Rate of escalation in Salary	5.50%
<b>Demographic Assumptions:</b>	
Rate of Employee Turnover	3.00%
Mortality Rate	Indian Assured Lives Mortality (2012-14) Ultimate

Maturity profile of defined benefit obligation

	For the Year Ended 31-Mar-2022
1st following year	16,07,318.00
2nd following year	6,56,236.00
3rd following year	10,46,931.00
4th following year	5,83,132.00
5th following year	6,70,110.00
Sum of year 6 To 10	41,71,495.00
Sum of years 11 and above	66,29,413.00

Sensitivity Analysis :

	For the Year Ended 31-Mar-2022
<b>Sensitivity analysis for significant assumptions</b>	
Delta Effect of +1% Change in Rate of Discounting	91,22,433.00
Delta Effect of -1% Change in Rate of Discounting	(4,95,628.00)
Delta Effect of +1% Change in Rate of Salary Increase	5,55,630.00
Delta Effect of -1% Change in Rate of Salary Increase	5,59,666.00
Delta Effect of +1% Change in Rate of Employee Turnover	(5,07,853.00)
Delta Effect of -1% Change in Rate of Employee Turnover	53,145.00
	(58,857.00)

Footnotes:

- The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.
- The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.
- Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet.



(iv) Expected return on assets is determined by multiplying the opening fair value of the plan assets by the expected rate of return determined at the start of the annual reporting period, taking account of expected contributions & expected settlements during the reporting period.

(v) The Weighted Average Duration of the Plan works out to 10 years.

**(viii) Asset Liability matching strategy:**

The money contributed by the Company to the Gratuity fund to finance the liabilities of the plan has to be invested. The trustees of the plan have outsourced the investment management of the fund to an insurance Company. The insurance Company in turn manages these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations. Due to the restrictions in the type of investments that can be held by the fund, it is not possible to explicitly follow an asset liability matching strategy. There is no compulsion on the part of the Company to fully prefund the liability of the Plan.

**24 Finance Cost**

Particulars	For the period 16th Aug to 31th March, 2022
Finance Cost	
Legal Charge	
Bank Interest	50,866
Bank charge and commission	38,627
Interest on Partner's Capital	37,393
Interest on Car Loan	1,26,885
Interest on finance lease obligations	6,126
TOTAL	1,21,182
	2,41,942

**25 Depreciation and Amortization**

Particulars	For the period 16th Aug to 31th March, 2022
Depreciation and Amortization	
Depreciation and Amortization - Indas	1,57,30,261
TOTAL	4,44,948
	1,61,75,208

**26 Other Expenses**

Particulars	For the period 16th Aug to 31th March, 2022
Packing Material Consumed	39,73,736
Consumable Store Consumed	2,54,145
Power & Fuel	3,23,51,195
Water Charges	7,79,811
Repairs & Maintainance- Plant	85,44,216
Insurance Charges	3,44,777
Labour Charges	1,05,60,178
Repair To Building	25,46,020
Factory Expenses	3,76,388
Lab Expenses	5,01,418.80
Freight Inward	2,19,950.00
Security Charges	3,38,304.00
E T P Charges	14,60,615.05
Printing & Stationery	3,43,362.00
Professional Fees	34,34,073.00
Commission	1,16,57,199
Freight Exp	21,14,143
Other Exp	34,98,756
TOTAL	8,32,98,286

Footnotes:

- (a) Miscellaneous expenses :  
 (i) Does not include any item of expenditure with a value of more than 1% of Revenue from operations.

**27 Details of payments to Auditors (excluding GST)**

	March 31, 2022
Payment to Auditors	
(a) for Statutory Audit	1,54,000
(b) for Other Services - Certification	1,47,165
(c) for Out of Pocket Exps	-
Total payment to auditors	3,01,165

**28 EARNING PER SHARE (EPS):**

	March 31, 2022
(a) Net Profit available for Equity Shareholders	22,71,57,000
(b) No. of Equity Shares as per financial statement	1,62,80,000



(c) Weighted average number of Equity Shares for Basic Earnings Per Share* (nos.) (Previous year numbers include Bonus Shares issued during current year)	1,62,80,000
(d) Weighted average number of Equity Shares for Diluted Earnings Per Share** (nos.) (Previous year numbers include Bonus Shares issued during current year)	1,62,80,000
(e) Basic Earnings Per Share (in Rs)	13.95
(f) Diluted Earnings Per Share (in Rs)	13.95

Footnotes:

- (a) Basic EPS is calculated by dividing profit for the year attributable to equity shareholders of the Company by the weighted average number of Equity shares outstanding during the year.
- (b) Diluted EPS amounts are calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

(c) Number of Shares for Computation of EPS

	March 31, 2022
Basic EPS (in Nos)	
Existing (Nos)	
Total Number of shares after conversion	1,62,80,000.00
Weighted average number of Equity Shares	1,62,80,000.00
Diluted Earnings Per Share (in Nos)	
Existing (Nos)	
Total Number of share	1,62,80,000.00
Weighted average number of Equity Shares	1,62,80,000.00

Contingent Liabilities and Commitments (To the extent not provided for)

29 Contingent Liabilities

	March 31, 2022
Claims against the Company not acknowledged as debts	
(i) GST matters	-
(ii) Income tax matters	-
(iii) Labour laws related matters (ESIC)	-
(iv) Others	-
Total	-

30 Commitments

	March 31, 2022
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	87,37,152.00
(b) Letters of Credit and Bank guarantees issued by bankers towards procurement of goods and services and outstanding as at year end	-
Total	

Segment Information

The operating segments have been reported in a manner consistent with the internal reporting provided to the Board of Directors, who are the Chief Operating Decision Makers (CODM). The board responsible for allocating resources and assessing the performance of operating segments. Accordingly, the reportable segment is only one segment i.e. pharmaceuticals.

(a) Revenue from Type of Product and Services

There is only one operating segment of the Company which is based on nature of product. Hence the revenue from external customers shown under geographical information is representative of revenue based on product and services.

(b) Geographical Information

Particulars	March 31, 2022
Segment Revenue - External Turnover	
Within India	
Outside India	2,06,86,78,547.60
Total	1,37,65,000.00
Non-Current Assets*	
Within India	
Outside India	24,28,19,324.05
Total	24,28,19,324.05

\* includes property plant and equipment, intangible assets, capital work-in-progress and other non-financial non-current assets.

(c) Information about major customers

Ind As 108 Segment Reporting Requires Disclosure of its major customers if revenue from transactions with single external customer amounts to 10 per cent or more of company's total revenue. No transaction more than 10% with single parties during the years.





31 Related Party Transactions

Disclosure on Related Party Transactions as required by Ind AS 24 - Related Party Disclosures is given below:

Name of holding	Relation
Dhanvallah Ventures LLP	Holding
Valiant organics limited	Ultimate holding

(a) Key Managerial Personnel:

Name	Designation
Mr Santosh Vora	Managing Director
Mr Shantilal vora	Non Executive Director
Mr Paresah Shah	Executive Director & Chief Executive Officer
Mrs. Sonal Veera	Independent Director
Mr Velji Gogri	Independent Director
Mrs Saloni Mehta	Company Secretary

(b) Other entities where significant influence exist:

- (i) Post employment-benefit plan entity:  
The Trustee Valiant Laboratories Limited

Compensation of key management personnel of the Company:

	March 31, 2022
(i) Short-term employee benefits	14,06,000.00
(ii) Post-employment benefits#	-
(iii) Director Sitting fees	30,000.00
<b>Total compensation paid to key management personnel</b>	<b>14,36,000.00</b>

# Excluding

Details of transactions with and balances outstanding with holding company

Name of related party	Nature of transaction	March 31, 2022	
		Transaction value	Outstanding amount
Dhanvallah Ventures LLP	Investment (Share Capital)	10,17,50,000	-
	Investment Unsec Loan)	58,92,22,097	48,61,60,980
Valiant organics limited	Revenue from Sale of Products	91,75,49,621	44,45,97,572

Details of transactions with and balances outstanding of Key Managerial Personnel (KMP) / Close Family Member of Key Managerial Personnel:

Name of related party	Nature of transaction	March 31, 2022	
		Transaction value	Outstanding amount
Mr Santosh Vora	Remuneration	3,76,000	-
Mr Shantilal vora	Remuneration	4,40,000	-
Mr Paresah Shah	Remuneration	10,000	10,000
Mrs. Sonal Veera	Sitting Fees	4,40,000	-
Mr Velji Gogri	Sitting Fees	10,000	10,000
Mrs Saloni Mehta	Salary	10,000	10,000
		1,50,000	

Details of transactions with and balances outstanding of Entities Controlled/Significantly influenced by Directors/Close Family Members of Directors:

Name of related party	Nature of transaction	March 31, 2022	
		Transaction value	Balance as on 31.03.2022
The Trust Valiant Laboratories Limited	Contribution to the Gratuity Funds	-	92,01,274.00



32 **Financial Instruments - Accounting Classification and Fair values**  
Disclosure pursuant to Ind AS 107 "Financial Instruments: Disclosures"

**Category-wise classification for applicable financial assets:**

Amount in Rs.

	Current/ Non-Current	As at 31st March'2022			
		Carrying Amount	Fair Value		
			Level 1	Level 2	Level 3
<b>Financial Assets</b>					
<b>Financial assets measured at cost</b>					
Investment in Subsidiaries	Non-Current	-	N.A	N.A	N.A
<b>Financial assets measured at amortised cost</b>					
Security Deposits	Non-Current	61,02,895	N.A	N.A	N.A
Trade Receivables	Current	1,10,76,91,543	N.A	N.A	N.A
Cash on hand	Current	1,07,774	N.A	N.A	N.A
Balance with Banks	Current	12,04,797	N.A	N.A	N.A
Other Fixed Deposits	Current	20,00,00,000	N.A	N.A	N.A
Security Deposits	Current	-	N.A	N.A	N.A
Loans to employees	Current	14,000	N.A	N.A	N.A
Interest Receivable	Current	-	N.A	N.A	N.A
Other Receivables	Current	78,841	N.A	N.A	N.A
		1,31,51,99,849			
<b>Financial assets measured at fair value through other comprehensive income (FVTOCI)</b>					
Investments in Equity Shares	Non-Current	40,20,608	40,20,608	-	-
Investments in Equity Shares	Current	-	-	-	-
		40,20,608	40,20,608	-	-
<b>Total Financial Assets</b>		<b>1,31,92,20,458</b>	<b>40,20,608</b>	<b>-</b>	<b>-</b>
<b>Financial Liabilities</b>					
<b>Financial liabilities measured at amortised cost</b>					
Long term borrowings - Term Loans from Banks	Non-Current	-	N.A	N.A	N.A
Unsecured Loans	Non-Current	59,40,01,972	N.A	N.A	N.A
Long-term maturities of lease obligations	Non-Current	26,70,700	N.A	N.A	N.A
Short term borrowings - Working capital loans from Banks	Current	1,28,06,691	N.A	N.A	N.A
<b>Trade Payables</b>					
- Due to Micro, Small and Medium Enterprises	Current	-	N.A	N.A	N.A
- Due to Others	Current	39,72,43,503	N.A	N.A	N.A
Creditors for Capital Goods	Current	-	N.A	N.A	N.A
Unclaimed Dividends	Current	-	N.A	N.A	N.A
Redeemable Preference Shares	Current	-	N.A	N.A	N.A
Current maturities of finance lease obligations	Current	17,83,603	N.A	N.A	N.A
Other Current Liabilities	Current	-	N.A	N.A	N.A
<b>Total Financial Liabilities</b>		<b>1,00,85,06,470</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Fair value hierarchy**

Level 1 : Hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments

Level 2 : The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 : If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities etc. included in level 3.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level followed is given in the table above.



### 33 Financial risk management objectives and policies

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's Risk Management framework. The Board has established the Risk Management Committee, which is responsible for developing and monitoring the Company's Risk Management policies. The Committee reports regularly to the Board of Directors on its activities.

The Company's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, trade receivables and other receivables and financial liabilities comprise mainly of borrowings, trade payables and other payables.

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. The Company uses derivative financial instruments, such as cross currency swaps and interest rate swaps to hedge foreign currency risk and interest rate risk exposure. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

#### A. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include borrowings, investments, trade payables, trade receivables and derivative financial instruments.

##### (i) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate due to changes in market interest rates. Company's interest rate risk arises from borrowings.

The following table demonstrates the sensitivity on the Company's profit before tax, to a reasonably possible change in interest rates of variable rate borrowings on that portion of loans and borrowings affected, with all other variables held constant:

##### Interest Rate Sensitivity

A change of 50 bps in interest rates would have following impact on Profit

	FY 2021-22
50 BPS increase would (decrease) the Profit before Tax by	64,033.45
50 BPS decrease would increase the Profit before Tax by	(64,033.45)

The details of financial assets and liabilities held by the Company as per amendments on account of interest rate benchmark reforms which are indexed to Interbank offered rates (IBOR) as on March 31, 2022 is as below:

##### (ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company transacts in several currencies and consequently the Company is exposed to foreign exchange risk through its sales outside India, and purchases from overseas suppliers in various foreign currencies. The company also has borrowings in foreign currency. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations are affected as the rupee appreciates / depreciates against these currencies. Foreign currency exchange rate exposure is partly balanced by purchase of raw materials and services in the respective currencies.

As at the end of the reporting period, the carrying amounts of the material foreign currency denominated monetary assets and liabilities are as follows:

	As at March 2022	
	Amount in foreign currency - USD	Amount in Rupees- INR
<b>Liabilities</b>		
United States Dollar (USD)	-	-
<b>Assets</b>		
United States Dollar (USD)	8,51,840.00	6,46,63,174.00
<b>Net foreign currency denominated monetary liability/(asset) (total)</b>	<b>8,51,840.00</b>	<b>6,46,63,174.00</b>
United States Dollar (USD)	8,51,840.00	6,46,63,174.00
<b>Foreign exchange derivatives</b>		
USD (Hedged) - Currency swaps against foreign currency borrowings	-	-
<b>Net foreign currency denominated monetary liability/(asset) (unhedged)</b>		
United States Dollar (USD)	8,51,840.00	6,46,63,174.00

##### Foreign Currency Risk Sensitivity

The following tables demonstrate foreign currency sensitivity on unhedged exposure (1% increase / decrease in foreign exchange rates will have the following impact on profit before tax).

	FY 2021-22	
	+ 100 BPS	- 100 BPS
United States Dollar (USD)	6,46,631.74	(6,46,631.74)

##### (iii) Equity Price Risk

The Company's investments in listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company's Board of Directors reviews and approves all equity investment decisions.

The following table summarises the sensitivity to change in the price of equity securities held by the Company on the Company's Equity and OCI. These changes would not have an effect on profit or loss.



	Impact on other components of equity (OCI)
5% increase	As at 31st March 2022
5% decrease	2,01,030.42
	2,01,030.42

#### B. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities, primarily for trade receivables and deposits with banks and other financial assets. The Company ensures that sales of products are made to customers with appropriate creditworthiness. Outstanding customer receivables are regularly monitored by the management. An impairment analysis is performed at each reporting date on an individual basis for major customers. Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks.

Refer footnotes (d) and (e) below note no. 12 for ageing of trade receivables and movement in credit loss allowance.

#### C. Liquidity Risk

Liquidity risk is the risk that the Company may not be able to meet its financial obligations without incurring unacceptable losses. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company has obtained fund and non-fund based working capital lines from various banks. Furthermore, the Company have access to undrawn lines of committed borrowing/facilities. The Company invests its surplus funds in bank fixed deposits and in mutual funds, which carry no or low market risk. The company consistently generates sufficient cash flows from operations or from cash and cash equivalents to meet its financial obligations including lease liabilities as and when they fall due.

##### (i) Financing arrangements

	March 31, 2022
Secured borrowing facilities	
- Amount used	1,28,06,691
- Amount unused	17,91,93,309
Total	19,20,00,000

##### (ii) Maturity profile of financial liabilities

	March 31, 2022		
	Less than 1 year	Between 1 to 5 years	Over 5 years
As on 31st March, 2022			
Borrowings			
Lease Liabilities	1,28,06,690.95	59,40,01,972.05	-
Trade Payables	17,83,603.00	26,70,700.26	-
Other Financial Liabilities	39,72,43,503.40	-	-
	76,88,898.00	-	-
	41,95,22,695.35	59,66,72,672.31	-

#### D. 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 shareholders. The primary objective of the Company's capital management is to maximise the shareholder value, safeguard business continuity and support the growth of the Company. The Company manages its capital structure and makes suitable adjustments in light of changes in economic conditions.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital. The Company includes within net debt outstanding liabilities towards Borrowings, obligations towards lease less cash and cash equivalents, other unrestricted balances with banks and current investments.

Particulars	March 31, 2022
Borrowings - Current and Non-Current	60,68,08,663.00
Long-term maturities of Lease obligations	26,70,700.26
Current maturities of Lease obligations	17,83,603.00
Less: cash and cash equivalent	(13,12,570.57)
Less: other balances with banks	(20,00,00,000.00)
Less: current investments	(40,20,608.39)
Net Debts	40,59,29,787.30
Total Equity	71,46,04,264.87
% Net debt to equity ratio	56.80%



**34 Additional regulatory information required by schedule III to the Companies Act, 2013**

- (a) The Company does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- (b) The Company does not have any transactions or relationships with any companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1956.
- (c) The Company has complied with the requirement with respect to number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.
- (d) Utilisation of borrowed funds and share premium:
- (i) The Company has 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:
- 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 to or on behalf of the ultimate beneficiaries.
- (ii) The Company has 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:
- 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.
- (e) There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.
- (f) The Company has not traded or invested in crypto currency or virtual currency during the year.

**35 Recent Pronouncements**

**A. Amendment to Ind AS 109 "Financial Instruments" and Ind AS 107 "Financial Instruments: Disclosures" - Interest rate Benchmark Reform Phase 2**

The amendment focuses on the potential financial reporting issues that may arise when interest rate benchmarking reforms are either reformed or replaced. The key reliefs provided by the Phase 2 amendments are:

- (a) **Changes to contractual cash flows** - When changing the basis for determining contractual cash flows for financial assets and liabilities (including lease liabilities), the reliefs have the effect that the changes that are required by an interest rate benchmark reform will not result in an immediate gain or loss in the profit and loss statement.
- (b) **Hedge accounting** - The hedge accounting reliefs will allow most Ind AS 39 or Ind AS 109 hedge relationships that are directly affected by IBOR reform to continue. However, additional ineffectiveness might need to be recorded.

The amendments do not have significant impact on the financial statements. The disclosures as required are presented in note no. 38 (A) (i) on "Interest Rate Risk".

**B. Amendment to Ind AS 103 "Business Combination" - Reference to Conceptual Framework**

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103 - Business Combinations. The Company does not expect the amendment to have any significant impact on its financial statements.

**C. Amendment to Ind AS 16 "Property, Plant and Equipment" - Proceeds before intended use**

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

**D. Code on Social Security, 2020 - Employee benefits during employment and post-employment**

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment received Indian Parliament approval and Presidential assent in September 2020. The Code has been published in the Gazette of India and subsequently on November 13, 2020 draft rules were published and invited for stakeholders' suggestions. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.



Sr. No.	Ratio	Numerator	Denominator	As at 31st March 2022	Reason for variance
1	Current ratio	Current Assets	Current Liabilities = Total current liabilities - Current maturities of non-current borrowings and lease obligations	3.58	Refer Note
2	Net Debt- Equity ratio	Net debt = Non-current borrowings + Current borrowings + Non-current and current lease liabilities - Current investments - Cash and cash equivalents - Other balances with banks (including non-current earmarked balances)	Average Equity [Equity = Equity share capital + Other equity]	0.57	Refer Note
3	Debt Service Coverage ratio	Earnings for debt service = Net Profit before tax + Non-cash operating expenses (depreciation and amortisation) + Net finance cost + other adjustments like Loss on sale of property, plant and equipment  [Net finance cost = Finance costs (excluding interest on current borrowings) - Interest income - Dividend income from current investments - Net gain/(loss) on sale of current investments]	Debt service = Interest payable & Lease Payments + Principal Repayments of long term borrowings (excluding prepayments)	0.53	Refer Note
4	Return on Equity ratio	Profit after tax	Average total equity [Equity = Equity share capital + Other equity]	31.79%	Refer Note
5	Inventory Turnover ratio	Cost of goods sold	Average Inventory	10.60	Refer Note
6	Trade Receivable Turnover ratio	Revenue from Sale of Products and Services	Average Trade Receivable	1.88	Refer Note
7	Trade Payable Turnover ratio	Adjusted Expenses [Adjusted Expenses = Total Expenses - Finance Cost - Depreciation and Amortisation Expense - Employee Benefit Expenses - Other expenses with respect to Rates & Taxes, Provision for Doubtful Debts, Provision for Impairment and Foreign Exchange Gain/ Loss]	Average Trade Payables	4.44	Refer Note
8	Net Capital Turnover ratio	Revenue from Operations	Average Working capital = Current assets - Current liabilities	193.35%	Refer Note
9	Net Profit ratio	Profit after tax	Revenue from operations	10.91%	Refer Note
10	Return on Capital Employed	Earnings before interest and tax	Average Capital Employed [Capital Employed = Total Equity + Total Debt]	23.06%	Refer Note

Note:- Company is converted into Ltd Company from Partnership Firm on 16-08-2021 due to which Variance is not ascertainable .

