



J. A. RAJANI & CO.
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the members of Avery Pharmaceuticals Private Limited

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of Avery Pharmaceuticals Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2020, the Statement of Profit and Loss (including other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the Loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key audit matters

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

Reporting of key audit matters as per SA 701, Key Audit Matters are not applicable to the Company as it is an unlisted company.

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

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



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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard on the even date.

Management's Responsibility for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error,



as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system, in relation to the financial statements, in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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 "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

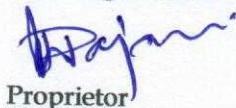


1. As required by Section 143(3) of the Act, based on our audit we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of change in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2020 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) The company is exempt from reporting with respect to the adequacy of the internal financial controls over financial reporting as per section 143(3)(i) of Companies Act, 2013 and Rule 10A of The Companies (Audit & Auditors) Rules, 2014.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
According to information and explanations given to us, there no remuneration paid by the Company to its directors during the year .
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company did not have any pending litigations which will have an impact on its financial position in its financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For J. A. Rajani & Co.

Chartered Accountants

Firm Registration No: 108331-W



Proprietor

Membership No: 116740

Place: Mumbai

Date: 30th June 2020

UDIN 20116740AAAAAV373



**Annexure "A" to the Independent Auditors' Report of even date on the Financial Statements of
Avery Pharmaceuticals Private Limited**

Referred to in paragraph 2 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2020:

- 1) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

The company does not hold any immovable property as on the balance sheet date.

- 2) The Company does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company and hence not commented upon.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c.) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Income-Tax and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2020 for a period of more than six months from the date on when they become payable.
- b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public




offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.

- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, managerial remuneration has not been paid or provided during the year accordingly the provisions of clause 3 (xi) of the Order are not applicable to the Company and hence not commented upon.
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For J. A. Rajani & Co.

Chartered Accountants

Firm Registration No: 108331-W



Proprietor

Membership No: 116740

Place: Mumbai

Date: 30th June 2020

UDIN 20116740AAAAAV4373



Avery Pharmaceuticals Private Limited

Balance sheet as at 31st March, 2020

(All amounts in Indian Rupees in thousand unless otherwise stated)

Particulars	Note	As at 31st March 2020	As at 31st March 2019
Assets			
Non-current assets			
Property, plant and equipment	3	367	62
Right of use assets	3 A	9,989	-
Capital work in progress	3	99,426	10,087
Intangible assets under development	3	4,554	4,164
Financial assets			
(i) Other Financial assets	4	761	5,458
Income tax assets (Net)	5	13	14
Deferred tax assets (net)	13	3,825	-
Other non-current assets	6	1,588	21,359
		120,522	41,145
Current assets			
Financial assets			
(i) Cash and Cash Equivalents	7	1,374	516
(ii) Other Financial assets	8	-	71
Other current assets	9	15,152	3,227
		16,526	3,814
TOTAL ASSETS		137,049	44,958
Equity and liabilities			
Equity			
(i) Equity Share capital	10	2,500	2,500
(ii) Other Equity	11	(15,776)	(7,307)
Equity attributable to owners of the company		(13,276)	(4,807)
Non-current liabilities			
Financial liabilities			
(i) Other Financial liabilities	12	145,329	43,180
Deferred tax liabilities (net)	13	-	111
		145,329	43,292
Current liabilities			
Financial liabilities			
(i) Trade payables	14	-	-
Total Outstanding dues of micro enterprises and small enterprises		2	-
Total Outstanding dues to Others		282	5,537
(ii) Other Financial liabilities	15	4,117	393
Provisions	16	156	174
Other current Liabilities	17	438	370
		4,995	6,474
TOTAL EQUITY AND LIABILITIES		137,049	44,958
Significant accounting policies	2		

The accompanying notes are an integral part of these financial statements (1-31)

As Per our report of even date.

For J. A. Rajani & Co.
Chartered Accountants



P. J. Rajani
Proprietor
Membership No.116740
Place : Mumbai
Date : 30th June , 2020

For and on behalf of the Board of Directors
Avery Pharmaceuticals Private Limited

Signature of Director and circular stamp of Avery Pharmaceuticals Pvt. Limited, Mumbai.

Director Director

Avery Pharmaceuticals Private Limited
Statement of profit and loss for the period Ended 31st March, 2020
 (All amounts in Indian Rupees in thousand unless otherwise stated)

Sl. No	Particulars	Notes	For the year Ended 31st March, 2020	For the year Ended 31st March 2019
1	Income			
	Other income	18	206	128
	Total Income		206	128
2	Expenses			
	Employee Benefit Expenses	19	4,977	3,392
	Finance Cost	20	2,309	133
	Depreciation and amortization expense	3 & 3A	1,295	17
	Other Expenses	21	3,186	3,720
	Total expenses		11,767	7,262
3	Profit Before Tax		(11,561)	(7,133)
4	Income tax expenses			
	Current Tax		-	-
	Deferred tax expense	22	(4,143)	111
	Total Tax Expenses		(4,143)	111
5	Profit after tax		(7,419)	(7,244)
	Other Comprehensive Income (OCI)		-	-
	Total comprehensive income for the year, net of tax		(7,419)	(7,244)
	Earnings per equity share			
	Basic and Diluted [Nominal value of the shares ₹. 10]		(29.67)	(28.98)

The accompanying notes are an integral part of these financial statements (1-31)

As Per our report of even date.

For J. A. Rajani & Co.
Chartered Accountants




P. J. Rajani
Proprietor
Membership No.116740
Place : Mumbai
Date : 30th June , 2020

For and on behalf of the Board of Directors
Avery Pharmaceuticals Private Limited


 Director


 Director



Avery Pharmaceuticals Private Limited

Cash flow statement for the year ended 31st March 2020

(All amounts in Indian Rupees in thousand unless otherwise stated)

Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
A Cash Flow from Operating Activities		
Net Profit/(Loss) before Tax & Prior Period Items	(11,561)	(7,133)
Adjustment for		
Depreciation and amortisation expense	62	17
Interest Income	(206)	(128)
Finance Cost	2,309	-
Non - Cash Expenses	-	112
Operating Profit before Working Capital Changes	(9,396)	(7,133)
Adjustment for:		
Decrease/ (Increase) in current assets	(11,926)	(3,227)
Decrease/ (Increase) in current Financial asset	71	(71)
Decrease/ (Increase) in non current Assets	19,772	(21,367)
Decrease/ (Increase) in non current Financial asset	4,697	(3,396)
(Increase)/Decrease in Provisions	180	165
Increase/(Decrease) in Trade Payables	(5,254)	5,537
Increase/ (Decrease) in other financial Liabilities	3,725	393
Increase/ (Decrease) in other Liabilities	68	370
Cash Generated from operations	1,938	(28,729)
Taxes Paid (Including TDS) (net)	1	-
Net Cash used in Operation	1,938	(28,729)
B Cash Flow from Investing Activities		
Purchase of Tangible and Intangible Assets	(90,095)	(14,313)
Interest Income	206	-
Net Cash from Investing Activities	(89,889)	(14,313)
C Cash Flow from Financing Activities		
Loan from Holding Company	91,118	43,180
Finance cost Paid	(2,309)	-
Net Cash from Financing Activities	88,809	43,180
Net Increase in Cash & Cash Equivalents	858	138
Opening Balance of Cash & Cash Equivalents	516	377
Closing Balance of Cash & Cash Equivalent	1,374	516

Notes:

Above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard 7 (Ind AS -7) "Statement of Cash Flow"

The accompanying notes are an integral part of these financial statements (1-31)

As Per our report of even date.

For J. A. Rajani & Co.
Chartered Accountants

P. J. Rajani
Proprietor
Membership No.116740
Place : Mumbai
Date : 30th June , 2020

For and on behalf of the Board of Directors
Avery Pharmaceuticals Private Limited

Director

Director



Avery Pharmaceuticals Private Limited

Statement of Changes in Equity for the period ended March 31, 2020
(All amounts in Indian Rupees in thousand unless otherwise stated)

	As at 31st March, 2020		As at 31st March, 2019	
	Number of shares	Amount	Number of shares	Amount
a. Equity shares of INR 10 each issued, subscribed and fully paid				
Balance at the beginning	250,000	2,500	250,000	2,500
Changes in equity share capital during the year	-	-	-	-
Balance at the end	250,000	2,500	250,000	2,500

b. Other Equity

	Reserves and Surplus		
	General Reserve	Retained Earnings	Total
Balance at March 31, 2018		(63)	(63)
Profit / (Loss) for the year	-	(7,244)	(7,244)
Other comprehensive income (net of tax)	-	-	-
Total comprehensive income for the year	-	(7,244)	(7,244)
Balance at March 31, 2019	-	(7,307)	(7,307)
Profit / (Loss) for the year	-	(7,419)	(7,419)
IND AS Adjustment Impact	-	(1,050)	-
Other comprehensive income (net of tax)	-	-	-
Total comprehensive income for the year	-	(8,469)	(8,469)
Balance at March 31, 2020	-	(15,776)	(15,776)

The accompanying notes are an integral part of these financial statements (1-31)

As Per our report of even date.

For J. A. Rajani & Co.
Chartered Accountants



P. J. Rajani

Proprietor

Membership No. 116740

Place: Mumbai

Date: 30th June, 2020

For and on behalf of the Board of Directors of
Avery Pharmaceuticals Private Limited



Shripad N. Kulkarni
Director

Director

Avery Pharmaceuticals Private Limited

Notes to the financial statements for the period ended 31st March, 2020
(All amounts in Indian Rupees in thousand unless otherwise stated)

Note 3 Tangible and Intangible Assets

Particulars	Gross Block			Accumulated Depreciation/Amortisation			Net Block		
	As At 1st April 2019	Additions during the year	Deductions / Retirement during the year	As At 31st March 2020	As At 1st April 2019	Charge for the Year	Deduction / Adjustment during the year	As At 31st March 2020	As At 31st March 2019
Property, Plant & Equipment									
Office Equipment	14	207	-	221	3	13	-	205	11
Computer	65	160	-	225	14	49	-	162	51
Total (A)	79	367	-	445	17	62	-	367	62
Capital Work in Progress									
Capital Work in Progress	10,087	89,339	-	99,426	-	-	-	99,426	10,087
Total (B)	10,087	89,339	-	99,426	-	-	-	99,426	10,087
Intangible Assets under Development									
Product Development	4,164	390	-	4,554	-	-	-	4,554	4,164
Total (C)	4,164	390	-	4,554	-	-	-	4,554	4,164
Total (A + B + C)	14,330	90,095	-	104,425	17	62	-	104,346	14,313



Particulars	Gross Block			Accumulated Depreciation/Amortisation			Net Block		
	As At 1st April 2018	Additions during the year	Deductions / Retirement during	As At 31st March, 2019	As At 1st April 2018	Charge for the Year	Deduction / Adjustment during	As At 31st March, 2019	As At 31st March 2018
Property, Plant & Equipment									
Office Equipment	-	14	-	14	-	3	-	3	11
Computer	-	65	-	65	-	14	-	14	51
Total (A)	-	79	-	79	-	17	-	17	62
Capital Work In Progress									
	-	10,087	-	10,087	-	-	-	-	10,087
Total (B)	-	10,087	-	10,087	-	-	-	-	10,087
Intangible Assets under Development									
Software Development	-	4,164	-	4,164	-	-	-	-	4,164
Total (C)	-	4,164	-	4,164	-	-	-	-	4,164
Total (A + B + C)	-	14,330	-	14,330	-	17	-	17	14,313



Avery Pharmaceuticals Private Limited

Notes to Financial Statements for the period ending 31st March, 2020

(All amounts in Indian Rupees in thousand unless otherwise stated)

Particulars	As at 31st March 2020	As at 31st March 2019
Note 4		
Other Financial assets		
Fixed deposits with Bank (Original maturity more than 12 months) (C. Y. Nil ; P.Y. - Marked as Lien against LC Issued)	-	4,800
Interest Accrued on Fixed Deposit	-	39
Security Deposit(Unsecured, considered good)	761	618
	761	5,458
Note 5		
Income tax assets (Net)		
Advance Income Tax (Net of Provision for Taxation of ₹Nil)	13	14
	13	14
Note 6		
Other non-current assets		
Capital Advances (Unsecured, considered good)	1,588	21,351
Prepaid Expenses (Unsecured, considered good)	-	8
	1,588	21,359
Note 7		
Cash and Cash Equivalents		
Balance with banks		
On Current Accounts	1,281	434
Cash on Hand	93	82
	1,374	516
Note 8		
Other Financial assets		
Security Deposit(Unsecured, considered good)	-	71
	-	71
Note 9		
Other current assets		
Prepaid Expense (Unsecured, considered good)	26	70
Balance with Government Authorities	14,959	2,489
Advances to Suppliers	-	266
Advances to Employees	168	402
	15,152	3,227



Avery Pharmaceuticals Private Limited

Notes to the financial statements for the period ended 31st March, 2020
(All amounts in Indian Rupees in thousand unless otherwise stated)

Note 10

a) Equity share capital : Equity shares of ₹. 10 each

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	No. of shares	Amount	No. of shares	Amount
Share Capital				
Authorised share capital Equity shares of ₹. 10 each	500,000	5,000	500,000	5,000
Issued, Subscribed and Paid Up : Equity shares of ₹. 10 each fully paid	250,000	2,500	250,000	2,500
	250,000	2,500	250,000	2,500

b) Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period

	As at 31st March, 2020		As at 31st March, 2019	
	No. of shares	Amount	No. of shares	Amount
Outstanding at the beginning of the year	250,000	2,500	250,000	2,500
Add: Issue of Equity Share Capital	-	-	-	-
Less:	-	-	-	-
Outstanding at the end of the year	250,000	2,500	250,000	2,500

c) Terms /Rights attached to Equity shares

The company has only one class of equity shares having par value of ₹. 10/- per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends 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.

d) Details of shares held by each shareholder holding more than 5% equity shares

Name of Share holder	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Arrow Greentech Limited	247,500	99.00%	247,500	99.00%
Total	247,500	99.00%	247,500	99.00%



Avery Pharmaceuticals Private Limited

Notes to Financial Statements for the period ending 31st March, 2020

(All amounts in Indian Rupees in thousand unless otherwise stated)

Particulars	As at 31st March 2020	As at 31st March 2019
Note 11		
Other Equity		
Retained earnings		
Opening Balance at the beginning of the year	(7,307)	(63)
Add : Profit for the year	(7,419)	(7,244)
Opening Balance impact of IND AS 116	(1,050)	-
Balance as at the year end	(15,776)	(7,307)
Note 12		
Other Financial Liabilities		
Loan from Holding Company	134,298	43,180
Lease Liabilities	11,031	-
	145,329	43,180



Avery Pharmaceuticals Private Limited

Notes to the financial statements for the period ended 31st March, 2020

(All amounts in Indian Rupees in thousand unless otherwise stated)

13 Deferred Tax Liabilities (net) *

(i) Movement in deferred tax liabilities for the year ended March 31, 2019

	Net balance March 31,2019	through Retained earning	Recognised through Profit and Loss	through OCI	Net balance March 31,2020
Property, plant and equipment	3	-	(307)	-	(304)
Other	-	-	104	-	104
Rent equalisation	(114)	-	223	-	108
Brought Forward Losses	-	-	4,124	-	4,124
Opening Balance impact of IND AS 116	-	(207)	-	-	(207)
	(111)	(207)	4,143	-	3,825



Avery Pharmaceuticals Private Limited

Notes to Financial Statements for the period ending 31st March, 2020

(All amounts in Indian Rupees in thousand unless otherwise stated)

Particulars	As at 31st March 2020	As at 31st March 2019
Note 14		
Trade Payables		
Total Outstanding dues of micro enterprises and small enterprises (refer to Note No. 24)	2	-
Total Outstanding dues to Others	282	5,537
	284	5,537
Note 15		
Other Financial Liabilities		
Salary and Re - imbursement Payable	229	-
Lease Liabilities	592	-
Creditors For Fixed Assets	3,296	393
	4,117	393
Note 16		
Provisions		
Provision for expenses	156	174
	156	174
Note 17		
Other Current Liabilities		
Statutory liabilities	438	370
	438	370



Avery Pharmaceuticals Private Limited

Notes to Financial Statements for the period ending 31st March, 2020

(All amounts in Indian Rupees in thousand unless otherwise stated)

Particulars	For the year Ended 31st March, 2020	For the year Ended 31st March 2019
Note 18		
Other income		
Interest Income :		
On Fixed Deposit	134	96
On Others	71	32
On Income Tax Refund	1	-
Total Other Income	206	128
Note 19		
Employee benefits expenses		
Staff Salaries & Bonus	4,921	3,379
Staff welfare expenses	56	13
	4,977	3,392
Note 20		
Finance Cost		
Finance Charges (Incl. Interest on Lease)	2,309	133
	2,309	133
Note 21		
Other Expenses		
Electricity, Fuel & Water Charges	239	63
Repair & Maintenance - Other	48	34
Freight Expenses	16	16
Insurance Charges	124	-
Legal & Professional Charges	1,015	621
Payment to Auditors (exclusive of GST) (refer note No. 28)	50	75
Security charges	572	196
Lease Rent (refer note No. 30)	(326)	1,965
Research and Development Expenses	530	18
Travelling & Conveyance Exp	485	510
Miscellaneous Expenses	434	224
Total Other Expenses	3,186	3,720
Note 22		
Tax Expenses		
Deferred tax expense	(4,143)	111
Total of Tax Expenses	(4,143)	111



Avery Pharmaceuticals Private Limited
Notes to Financial Statements for the period ending 31st March, 2020
 (All amounts in Indian Rupees in thousand unless otherwise stated)

- 23 Balances of Sundry Debtors, Sundry Creditors, Deposits, Loans and Advances are subjected to reconciliation and confirmation, necessary adjustment if required, will be made after reconciliation. The management does not expect any material difference affecting the current year's financial statements.
- 24 The Company does not possess information as to which of its suppliers are covered under micro, small and medium Enterprise Development Act, 2006. However, the company is regular in making payment to its suppliers and has not received any claim in respect of interest for delayed payment.
- 25 Based on the guiding principles given in Ind AS 108 - "Operating segments", the Company is primarily engaged in the business of manufacturing of pharmaceutical products. As the Company's business activity falls within a single primary business segment, the disclosure requirements of Ind AS-108 in this regard are not applicable.

26 Related party disclosures

Related parties with whom transactions have taken place during the year:

Sr.	Name of Related Party	Relationship
1	Arrow Greentech Limited	Holding Company
2	Shilpan Patel	Key Managerial Personnel
3	Neil Patel	

Transaction with Related Parties & Outstanding Balance as on 31st March, 2020:

Sr. No.	Party Name	Transactions for the year ended	Balances receivable/ (payable) as of	Transactions for the year ended	Balances receivable/ (payable) as of
		March 31, 2020	March 31, 2020	March 31, 2019	March 31, 2019
1	Loan Taken from Arrow Greentech Limited	82900	(124,900)	47,000	(42,000)
2	Loan repaid to Arrow Greentech Limited	-	-	5,000	-
3	Interest Payable on Loan Taken	9132	9,398	1,180	(1,180)
4	Purchase of Products Development rights	-	-	3,503	(3,503)
5	Purchase of Machine	648	-	-	-
6	Service Fees	472	-	236	(236)

27 Earnings Per Share :

Calculation of basic and diluted EPS is as follows:

Particulars	March 31, 2020	March 31, 2019
Profit for the year attributable to Owners of the Company	(7,419)	(7,288)
Weighted average number of equity shares	250	250
Earning per Share Basic / Diluted (Rs.) (On Nominal Value of Rs. 10/- per Share)	(29.67)	(28.98)

28 Payment to Auditors (exclusive of GST)

Particulars	March 31, 2020	March 31, 2019
Audit Fees	38	50
Taxation and Other Matters	13	25
Total	50	75



Avery Pharmaceuticals Private Limited

Notes to Financial Statements for the period ending 31st March, 2020
(All amounts in Indian Rupees in thousand unless otherwise stated)

29 Financial Instruments - Accounting Classifications and Fair Value Measurements

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

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

Fair value of cash and cash equivalent, bank balances other than cash and cash equivalent, trade receivables, trade payables, other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

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

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

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

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

A	As at March 31, 2020	Amortised Cost	Carrying value			Fair value		
			FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3
Non Current Financial assets								
Other financial asset								
		761	-	-	761	-	-	-
		761	-	-	761	-	-	-
Current Financial assets								
Cash and cash equivalents								
		1,374	-	-	1,374	-	-	-
Other financial assets								
		-	-	-	-	-	-	-
		1,374	-	-	1,374	-	-	-
Total								
		2,135	-	-	2,135	-	-	-
Non - Current Financial liabilities:								
Other financial liabilities								
		145,329	-	-	145,329	-	-	-
Current Financial liabilities:								
Trade payables								
		284	-	-	284	-	-	-
Other Financial Liabilities								
		4,117	-	-	4,117	-	-	-
Total								
		149,730	-	-	149,730	-	-	-



Avery Pharmaceuticals Private Limited

Notes to Financial Statements for the period ending 31st March, 2020
(All amounts in Indian Rupees in thousand unless otherwise stated)

As at March 31, 2019	Amortised Cost	Carrying value			Fair value		
		FVTPL	FVTOCI	Total	Level 1	Level 2	Level 3
Non Current Financial assets							
Other financial asset	5,458	-	-	5,458	-	-	-
	5,458	-	-	5,458	-	-	-
Current Financial assets							
Cash and cash equivalents	516	-	-	516	-	-	-
Other financial assets	-	-	-	-	-	-	-
	516	-	-	516	-	-	-
Total	5,974	-	-	5,974	-	-	-
Non - Current Financial liabilities:							
Other financial liabilities	43,180	-	-	43,180	-	-	-
Current Financial liabilities:							
Trade payables	5,537	-	-	5,537	-	-	-
Other Financial Liabilities	393	-	-	393	-	-	-
Total	49,110	-	-	49,110	-	-	-

30 Based on its initial assessment, the Management is consciously optimistic that there may not be any significant medium to long-term impact on the business of the Company due to the COVID-19 pandemic. The Company has evaluated the possible effects of COVID-19 on the carrying amounts of property, plant and equipment, patents, inventory and trade receivables basis the Internal and external sources of information and determined, exercising reasonable estimates and judgements, that the carrying amounts of these assets are generally recoverable. Having regard to the above, and the Company's operating efficiency and gradually improving liquidity position, there may not be material uncertainty generally in meeting the financial obligations over the foreseeable future.

31 Previous Years figures are re-grouped / re-classified where ever considered necessary.

As per our Report fo even date.

For J.A Rajani & Co.
Chartered Accountants

[Signature]

P. J. Rajani
Proprietor
Membership No. 116740
Place: Mumbai
Date : 30th June , 2020



For and on behalf of the Board of Directors of
Avery Pharmaceuticals Private Limited

[Signature]
Director

[Signature]
Director



[Handwritten mark]

AVERY PHARMACEUTICALS PRIVATE LIMITED

Notes to Financial Statements for the year ended 31st March, 2020

1 Company Information

The Company is mainly in business of development, manufacturing and trading of pharmaceuticals products

2 Significant Accounting Policies

A Compliance with Indian Accounting Standards (Ind AS):

a)

These Financial Statements (hereinafter referred to as 'Financial Statements') of the Company, have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified under section 133 of the Companies Act, 2013 ('the Act') read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act and accounting principles generally accepted in India. These financial statements were authorized for issue by the Company's Board of Directors on 30th June 2020.

Functional and Presentation Currency

These financial statements are presented in Indian rupees, which is the functional currency of the Company. All financial information presented in Indian rupees has been rounded to the nearest thousand, except otherwise indicated.

Basis of measurement

These Financial statements are prepared under the historical cost convention unless otherwise indicated.

Use of Estimates and Judgements

The preparation of the financial statements in conformity with Ind AS requires Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/ materialise. Estimates and underlying assumptions are reviewed on an ongoing basis.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the accounting policies.

- Useful lives of property, plant, equipment and intangibles (Refer note C)

- Measurement and likelihood of occurrence of provisions and contingencies (Refer note E & F)

B Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

i)

Sale of goods: Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. Sales are net of value added taxes, excise duty and GST.

ii)

Dividend income is accounted for when the right to receive the income is established. Interest income is recognised on time proportion basis taking into account the amount outstanding and the rate applicable.

iii)

Insurance and other claims, where quantum of accruals cannot be ascertained with reasonable certainty, are accounted on acceptance basis.

C Property, Plant and Equipment, Depreciation and Impairment:

i) Property, Plant and Equipment

Property, Plant and Equipment are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost of Property, Plant and Equipment includes taxes, duties, freight, borrowing cost, if capitalization criteria are met and other incidental expenses incurred in relation to their acquisition/ bringing the assets for their intended use.



AVERY PHARMACEUTICALS PRIVATE LIMITED

Notes to Financial Statements for the year ended 31st March, 2020

Subsequent expenditures related to an item of Property, Plant and Equipment are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Gains or losses arising from derecognition of plant, property and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

The Company has elected to continue with the carrying value of all its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as the deemed cost as at the transition date pursuant to the exemption under Ind AS 101.

ii) **Depreciation:**

Depreciation on Property, Plant and Equipment has been provided on written down value basis and manner prescribed in Schedule II to the Companies Act 2013.

iii) **Intangible Assets:**

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised on a Straight Line Basis over their estimated useful lives. Costs related to patents are written off over the remaining useful life from the day of grant. Computer Software's are amortized over a period of 3 years from the date of acquisition.

iv) Expenditure on research and development eligible for capitalisation are carried as Intangible assets under development where such assets are not yet ready for their intended use.

D Earnings Per Share

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

E Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

F Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

G Cash and cash equivalents

Cash and cash equivalent in the Balance Sheet includes cash on hand, cheques on hand, cash at bank, other short term, highly liquid investments with original maturity of three months or less that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalent includes cash on hand, cheques on hand, cash at bank, other short term, highly liquid investments with original maturity of three months or less that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value and overdrawn bank balance.



AVERY PHARMACEUTICALS PRIVATE LIMITED

Notes to Financial Statements for the year ended 31st March, 2020

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future cash receipts or payment and item of income and expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated

H Financial instruments

Initial recognition and measurement

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

Subsequent measurement

i) Financial assets amortised at cost

A financial asset is subsequently measured at amortised cost if it is held with in a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments principal and interest on the principal amount outstanding.

iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

iv) Financial liabilities

Financial liabilities are subsequently carried at fair value through profit and loss. For trade payables and other liabilities maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derecognition of financial instruments

Financial asset is derecognized when the contractual rights to the cash flows from the financial asset expire or is transferred and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognised when the obligation specified in the contract is discharged or cancelled or expires.



AVERY PHARMACEUTICALS PRIVATE LIMITED

Notes to Financial Statements for the year ended 31st March, 2020

Fair value measurement

The Company measures financial instruments such as investments, at fair value at each Balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a) in the principal market for the asset or liability, or
- b) in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company

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

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

Level 1: Quoted (unadjusted) market prices in active market 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 or indirectly observable

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosure, 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.

I Current–non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;

- a)
- b) it is held primarily for the purpose of being traded;
- c) it is expected to be realised within 12 months after the reporting date; or
- d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.



AVERY PHARMACEUTICALS PRIVATE LIMITED

Notes to Financial Statements for the year ended 31st March, 2020

Current assets include the current portion of non-current financial assets.
All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- a) it is expected to be settled in the company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is due to be settled within 12 months after the reporting date; or

the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

- d) affect its classification.
- Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not

Current liabilities include current portion of non-current financial liabilities.
All other liabilities are classified as non-current.

J Leases (where the company is lessee):

At the inception of an arrangement to 31st March 2019, The Company determines whether the arrangement is or contains a lease. At the inception or on reassessment of an arrangement that contains a lease, the Company separates payments and other consideration required by the arrangement into those for the lease and those for the other elements on the basis of their relative fair values.

Leases of property, plant and equipment where the Company, as lessee, in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of Profit and Loss as per the terms of the lease or 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 inflationary cost increases.

Applicable from April 01, 2019

The Company has implemented the Ind AS 116 "Leases" as notified by the Ministry of Corporate Affairs on March 30, 2019 through the Companies (Indian Accounting Standards) Amendment Rules, 2019. Effective April 01, 2019, the Company has adopted Ind AS 116 "Leases", applied to all the lease contracts existing on April 1, 2019 using the modified retrospective method of transition. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. The Company's lease asset classes primarily consist of leases of land, building and equipment.

At the date of commencement of lease, the Company recognised a right-to-use assets and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve month or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as operating expense on straight-line basis over the term of lease. The right-to-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The right-to-use of assets are depreciated from the commencement date on a straight line basis over the shorter of the lease term and useful life of the underlying asset right-to use of assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.



AVERY PHARMACEUTICALS PRIVATE LIMITED

Notes to Financial Statements for the year ended 31st March, 2020

The Lease liability is initially measured at amortized cost at the present value of future lease payments. The lease payments are discounted using the interest rate implicit in the lease, or if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease Liabilities are re-measured with corresponding adjustment to the related right to use of asset if company changes its assessment if whether it will exercise an extension or termination option.

Lease liability and right-to-use asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The following is the summary of practical expedients elected on initial application.

- 1) Applied a single discount rate to portfolio of leases of similar assets in similar economic environment with similar end date.
- 2) Applied the exemption not to recognize right to use of asset and liabilities for leases with less than 12 months of lease term of the date of initial application.
- 3) Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, IND AS 116 is applied only to contracts that were previously identified as leases under IND AS 17.
- 4) Excluding initial direct costs for the measurement of right to use of asset at the date of initial application.

K Taxes on Income

Income tax expense comprises current tax and deferred tax. It is recognised in Consolidated Statement of Profit and Loss except to the extent that it relates items recognised directly in equity or in OCI.

The income tax expense or credit for the period is tax payable on the current year's taxable income based on the applicable income tax rate adjusted by change in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Management periodically evaluates position 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 amount expected to be paid to the tax authorities.

Deferred tax charge or credit and corresponding deferred tax liabilities or assets are measured using the tax rates and laws enacted / substantively enacted at the balance sheet date. Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty, except for carried forward losses and unabsorbed depreciation which is recognized based on virtual certainty, supported by convincing evidence that the assets will be realized in future against future taxable profits

Carrying amount of deferred tax assets are reviewed as at each balance sheet date and are appropriately adjusted to reflect the amount that is reasonably or virtually certain to be realised against future taxable income.

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

Minimum alternate tax (MAT) paid in a year is charged to the Consolidated Statement of Profit and Loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the Consolidated Statement of Profit and Loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

L Operating cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

