INDEPENDENT AUDITOR'S REPORT

To
The Members of Laurus Synthesis Private Limited
Report on the Audit of the IND AS Financial Statements

Opinion

We have audited the accompanying financial statements of **Laurus Synthesis Private Limited** ("the Company"), which comprise the Balance Sheet as on March 31, 2021 and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and 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 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, 2021, and its loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility 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 ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors report, but does not include the financial statements and our auditor's report thereon.

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

- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our 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.

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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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 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 Responsibility for the Audit of the Financial Statements

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

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

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

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Undersection 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by 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, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

    d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

    e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

    f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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

In our opinion and based upon the audit procedures performed and the information and explanation given by the management, the provisions of section 197 read with Schedule V to the companies Act is compiled by the company.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules,2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

For Ramasamy Koteswara Rao and Co LLP,
Chartered Accountants
Firm Registration Number: 010396S/S200084

Place: Hyderabad
Date: 22-04-2021

(C V Koteswara Rao)
Partner
Membership No.028353
UDIN: 21028353AAAAOW1126

Annexure-A to the Auditors' Report (referred to in paragraph 2 of our Report of even date to the Members of "Laurus synthesis Private Limited" for the year ended March 31, 2021)

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

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

(b) All fixed assets have been physically verified by the management during the year in accordance with a phased program of verification which, in our opinion is reasonable having regard to the size of the company and the nature of its assets. According to the information furnished to us, no material discrepancies have been noticed on such verification.

(c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the company.

ii. The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

iii. 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.

iv. The company has neither granted loans nor made investments. Hence the provisions of Sections 185 and 186 of Companies Act 2013 are not applicable. Thus paragraph 3(iv) of the order is not applicable to the company.

v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

vi. We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148 of the Act in respect of bulk drugs and formulations and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

vii. (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 Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs, Goods and Service Tax, Cess 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, Goods and Service Tax outstanding on account of dispute.

viii. In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to banks. There are no dues which are payable to financial institutions or debenture holders or government.

ix. 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.

x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or on the company by the officers and employees of the Company has been noticed or reported during the year.

xi. According to the information and explanations given by the management, the has not provided any managerial remuneration. Hence the point is not applicable

xii. In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

xiii. According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

xiv. According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and hence not commented upon.

xv. According to 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 as referred to in section 192 of Companies Act, 2013.

xvi. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company and hence not commented upon.

For Ramasamy Koteswara Rao and Co LLP,
Chartered Accountants
Firm Registration Number: 010396S/S200084

Place: Hyderabad
Date: 22-04-2021

(C V Koteswara Rao)
Partner
Membership No.028353
UDIN: 21028353AAAAOW1126

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF LAURUS SYNTHESIS PRIVATE LIMTED

Report on the Internal Financial Controls under Clause (I) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

To the Members of **Laurus Synthesis Private Limited**

We have audited the internal financial controls over financial reporting of **Laurus Synthesis Private Limited** ("the Company") as of March 31, 201 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls 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 as specified under section 143(10) of the Companies Act, 2013, to the extent 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 financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls 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, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Ramasamy Koteswara Rao and Co LLP,
Chartered Accountants
Firm Registration Number: 010396S/S200084

Place: Hyderabad
Date: 22-04-2021

(C V Koteswara Rao)
Partner
Membership No.028353
UDIN: 21028353AAAAOW1126

Laurus Synthesis Private Limited

CIN: U24110TG2020PTC140333

Balance Sheet as at March 31, 2021

(All amounts in Rupees except for share data or as otherwise stated)

Particulars	Notes	March 31,2021
ASSETS		
Non-current assets		
Property, plant and equipment	**3**	57,64,83,389
Right-of-use assets	**29**	9,23,43,446
Capital work-in-progress		11,71,87,138
Intangible assets	**3**	30,36,686
Financial assets		
Other financial assets	**4**	1,03,00,000
Deferred tax assets (net)	**5**	4,52,75,030
Income tax assets (net)	**15**	17,50,540
Other non-current assets	**6A**	2,82,00,486
Total non-current assets		**87,45,76,715**
Current assets		
Inventories	**7**	1,55,36,970
Financial assets		
Trade receivables	**8**	4,16,51,919
Cash and cash equivalents	**9**	72,67,563
Other current assets	**6B**	3,42,05,277
Total current assets		**9,86,61,729**
Total assets		**97,32,38,443**
EQUITY AND LIABILITIES		
Equity		
Equity share capital	**10**	10,00,000
Other equity		(12,87,95,677)
Total equity		**(12,77,95,677)**
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	**11A**	42,15,02,394
Lease liabilities	**29**	1,67,29,282
Loans	**11C**	34,21,89,032
Provisions	**14A**	23,06,724
Total non-current liabilities		**78,27,27,432**
Current liabilities		
Financial liabilities		
Trade payables		
-total outstanding dues of creditors other than micro enterprises and small enterprises	**11B**	12,73,23,670
-total outstanding dues to micro enterprises and small enterprises	**11B**	69,39,918
Lease liabilities	**29**	9,25,926
Other Financial Liabilities	**12**	85,01,656
Current maturities and other liabilities	**11D**	17,28,47,615
Other current liabilities	**13**	14,54,034
Provisions	**14B**	3,13,869
Total current liabilities		**31,83,06,688**
Total - equity and liabilities		**97,32,38,443**
Summary of significant accounting policies	**2.2**	

The accompanying notes are an integral part of the financial statements.
As per our report of even date

For Ramasamy Koteswara Rao and Co LLP
Chartered Accountants
Firm Registration Number :010396S/S200084

For and on behalf of the Board of Directors
Laurus Synthesis Private Limited

C V Koteswara Rao
Partner
Membership No.028353

Krishna Chaitanya Chava
Director
DIN: 06831883

Narasimha Rao DVL
Director
DIN: 03258307

Narasimha Rao Chava
Director
DIN: 08836445

Sita Ramaiah Ch
Director
DIN: 08210856

Place: Hyderabad
Date: April 22, 2021

Place: Hyderabad
Date: April 22, 2021

Laurus Synthesis Private Limited

CIN: U24110TG2020PTC140333

Statement of Profit and Loss Account for the year ended March 31,2021

(All amounts in Rupees except for share data or as otherwise stated)

	Particulars	Notes	For the year ended March 31, 2021
I.	**INCOME**		
	Revenue from operations	16	15,62,78,928
	Other income	17	74,010
	Total income (I)		**15,63,52,938**
II.	**EXPENSES**		
	Cost of materials consumed	18	5,06,68,474
	Changes in inventories of finished goods, work-in-progress	19	(1,71,150)
	Employee benefits expenses	20	6,01,46,133
	Other expenses	21	12,20,26,877
	Total expenses (II)		**23,26,70,335**
III.	**Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) (I-II)**		**(7,63,17,397)**
	Depreciation and amortisation	3 & 29	5,24,50,864
	Finance costs	22	4,53,02,446
IV.	**Loss before tax**		**(17,40,70,707)**
V.	**Tax expense**	25	
	Current tax		-
	Deferred tax		(4,52,75,030)
	Income tax expense		**(4,52,75,030)**
VI.	**Loss for the year (IV-V)**		**(12,87,95,677)**
	Other comprehensive income (OCI)	23	
	Items that will not be reclassified subsequently to profit or		
	Remeasurement gains/(losses) on defined benefit plans		-
	Tax on remeasurement of defined benefit plans		-
	Total other comprehensive income for the year, net of tax		**-**
	Total comprehensive income for the year, net of tax		**(12,87,95,677)**
	Earnings per equity share Rs. 10/- each fully paid	24	
	Computed on the basis of total profit for the year		
	Basic (Rs.)		(1,478)
	Diluted (Rs.)		(1,478)
	Summary of significant accounting policies	2.2	

The accompanying notes are an integral part of the financial statements.
As per our report of even date

For Ramasamy Koteswara Rao and Co LLP
Chartered Accountants
Firm Registration Number :010396S/S200084

For and on behalf of the Board of Directors
Laurus Synthesis Private Limited

C V Koteswara Rao
Partner
Membership No.028353

Krishna Chaitanya Chava
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Laurus Synthesis Private Limited

CIN: U24110TG2020PTC140333

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

(All amounts in Rupees except for share data or as otherwise stated)

a. **Equity share capital**

Equity shares of Rs.10 each, fully paid up	**No.**	**Rs.**
Issued during the year	1,00,000	10,00,000
As at March 31, 2021	**1,00,000**	**10,00,000**

b. **Other equity**

Particulars	**Reserves and surplus**	**Other comprehensive income**	**Total**
	Retained Earnings	**Re-measurement gains or losses on employee defined benefit plans**	
Opening Balance	**-**	-	**-**
Loss for the year	(12,87,95,677)	-	(12,87,95,677)
As at March 31, 2021	**(12,87,95,677)**	**-**	**(12,87,95,677)**

The accompanying notes are an integral part of the financial statements.
As per our report of even date

For Ramasamy Koteswara Rao and Co LLP
Chartered Accountants

C V Koteswara Rao
Partner
Membership No.028353

Place: Hyderabad
Date: April 22, 2021

For and on behalf of the Board of Directors
Laurus Synthesis Private Limited

Krishna Chaitanya Chava
Director
DIN: 06831883

Narasimha Rao DVL
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Sita Ramaiah Ch
Director
DIN: 08210856

Place: Hyderabad
Date: April 22, 2021

Laurus Synthesis Private Limited
CIN: U24110TG2020PTC140333
Cash Flow Statement for the year ended March 31, 2021
(All amounts in Rupees except for share data or as otherwise stated)

Particulars	For the year ended March 31, 2021
Profit before tax	**(17,40,70,707)**
Cash Flows from operating activities	
Adjustments for :	
Depreciation and amortisation	5,24,50,864
Interest expense	4,53,02,446
Operating profit before working capital changes	**(7,63,17,397)**
Movement in working capital:	
Increase in inventories	(1,55,36,970)
Increase in trade receivables	(4,16,51,919)
Increase in financial and non-financial assets	(4,45,05,276)
Increase in trade payables	13,83,70,150
Increase in financial, non-financial liabilities and provisions	14,20,210
Cash generated from operations	**(3,82,21,202)**
Income tax paid	(17,50,540)
Net cash flows from operating activities (A)	**(3,99,71,742)**
Cash flows used in investing activities	
Purchase of property, plant and equipment, including intangible assets, capital work in progress and capital advances	(70,03,49,727)
Net cash flows used in investing activities (B)	**(70,03,49,727)**
Net cash flows from financing activities	
Proceeds from issue of share capital	10,00,000
Proceeds from long - term borrowings	48,00,00,000
Proceeds from intercorporate loan(net)	34,21,89,032
Payment of lease liabilities	(7,56,00,000)
Net cash flows from/(used in) financing activities (C)	**74,75,89,032**
Net increase in cash and cash equivalents (A+B+C)	72,67,563
Cash and cash equivalents at the beginning of the year	-
Cash and cash equivalents at the year end	**72,67,563**
Components of cash and cash equivalents:	
Cash on hand	1,09,358
Balances with banks	
On current accounts	71,58,205
Total cash and cash equivalents	**72,67,563**

The accompanying notes are an integral part of the financial statements.
As per our report of even date

For Ramasamy Koteswara Rao and Co LLP
Chartered Accountants

C V Koteswara Rao
Partner
Membership No.028353

Place: Hyderabad
Date: April 22, 2021

For and on behalf of the Board of Directors
Laurus Synthesis Private Limited

Krishna Chaitanya Chava
Director
DIN: 06831883

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DIN: 03258307

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DIN: 08836445

Sita Ramaiah Ch
Director
DIN: 08210856

Place: Hyderabad
Date: April 22, 2021

Laurus Synthesis Private Limited
CIN: U24110TG2020PTC140333
Notes to financial statements for the year ended March 31, 2021
(All amounts in Rupees except for share data or as otherwise stated)

1. **Corporate information**

Laurus Synthesis Private Limited (the "Company") is a leading Contract Development & Manufacturing Organization (CDMO). The Company intended to support drug development and manufacturing programs of global pharmaceutical and biotech companies. The Company is a private company domiciled in India and is incorporated on May 18, 2020 under the provisions of the Companies Act applicable in India. The Company is wholly owned subsidiary of Laurus Labs Limited.

The Company is equipped with manufacturing facility situated in Jawaharlal Nehru Pharma City at Visakhapatnam, and constructing a Research and Development Centre in IKP Knowledge Park at Hyderabad.

These financial statements are authorised by the Board of Directors for issue in accordance with their resolution dated April 22, 2021.

2. **Significant accounting policies**

2.1 **Basis of preparation**

(a) The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ('Ind AS'), under the historical cost basis except for certain financial instruments which are measured at fair values at the end of each reporting period as explained in the accounting policies below, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued there after.

2.2 **Summary of significant accounting policies**

(a) **Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

(b) **Foreign currencies**

The financial statements are presented in Indian rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss.

(c) **Fair value measurement**

The Company measures financial instruments 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.

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

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

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

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

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

The financial controller of the Company determines the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. Any change in the fair value of each asset and liability is also compared with relevant external sources to determine whether the change is reasonable.

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.

(d) **Revenue recognition**

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 measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates after taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company derives revenues primarily from Contract Development & Manufacturing Operations and services (together called as "Pharmaceuticals")

The following is summary of significant accounting policies relating to revenue recognition. Further, refer note no. 16 for disaggregate revenues from contracts with customers.

Sale of products

The Company recognises revenue for supply of goods to customers against orders received. The majority of contracts that company enters into relate to sales orders containing single performance obligations for the delivery of pharmaceutical products as per Ind AS 115. Product revenue is recognised when control of the goods is passed to the customer. The point at which control passes is determined based on the terms and conditions by each customer arrangement, but generally occurs on delivery to the customer. Revenue is not recognised until it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur.

Sale of services

Revenue from contract research operations is recognised based on services performed till date as a percentage of total services. The agreed milestones are specified in the contracts with customers which determine the total services to be performed.

Interest income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable rates.

(e) **Taxes**

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income ("OCI") or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provision where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

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

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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 taxes relate to the same taxable entity and the same taxation authority.

(f) **Property, plant and equipment**

Capital work in progress, Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance or extends its estimated useful life.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Factory buildings	:	30 years
Other buildings	:	60 years
Plant and equipment	:	5 to 20 years
Furniture and fixtures	:	10 years
Computers	:	3 to 6 years

The Company, based on technical assessment and management estimate, depreciates certain items of plant and equipment and vehicles over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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 from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(g) **Intangible assets**

Computer Software

Costs relating to software, which is acquired, are capitalised and amortised on a straight-line basis over their estimated useful lives of five years.

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

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

(h) **Leases**

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-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.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the lease term and useful life of the underlying asset. The lease liability is initially measured at amortized cost at the present value of the 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 these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows. Further, refer note no. 29 A, for effect of transition to Ind AS 116, classification of leases and other disclosures relating to leases.

(i) **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are 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.

(j) **Inventories**

Inventories are valued at the lower of cost and net realisable value. Cost is determined on weighted average basis.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials: 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. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity.
- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.
- Stores, spares and packing materials are valued at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(k) **Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated.

Impairment losses, including impairment on inventories, are recognised in the statement of profit and loss. An assessment is made at each reporting date to determine whether there is an indication that 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. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior periods/ years. Such reversal is recognised in the Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

(l) **Provisions**

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(m) **Retirement and other employee benefits**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund by a third party.

The cost of providing benefits under the defined benefit plan is determined based on projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to Statement of Profit or Loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

The Company treats accumulated leaves which are to be settled after 12 months as a long-term employee benefit and accumulated leaves which are to be settled in the next 12 months as a short-term employee benefit for measurement purposes. Such accumulated leaves are provided for based on an actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

(n) **Financial instruments**

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

For purposes of subsequent measurement, a 'debt instrument' is measured at the amortised cost if both the following conditions are met:

(a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. This category generally applies to trade and other receivables. For more information on receivables, refer to Note 8.

Derecognition

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

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, deposits and bank balances.
b) Trade receivables that result from transactions that are within the scope of Ind AS 115.

The Company follows 'simplified approach' for recognition of impairment loss. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition.

If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate. When estimating the cash flows, an entity is required to consider:

► All contractual terms of the financial instrument (including prepayment, extension and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument

► Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss ("FVTPL"), loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.

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

Loans and borrowings

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

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

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit or Loss.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in Statement of Profit and Loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to Statement of Profit and Loss at the reclassification date.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(o) **Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

(p) **Measurement of EBITDA**

The Company presents EBITDA in the statement of profit or loss, which is neither specifically required by Ind AS 1 nor defined under Ind AS. Ind AS complaint Schedule III allows companies to present line items, sub-line items and sub-totals shall be presented as an addition or substitution on the face of the financial statements when such presentation is relevant to an understanding of the company's financial position or performance or to cater to industry/sector-specific disclosure requirements or when required for compliance with the amendments to the Companies Act or under the Indian Accounting Standards.

(q) **New standards and interpretations not yet adopted**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

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Notes to Financial Statements for the year ended March 31, 2021
(All amounts in Rupees except for share data or as otherwise stated)

3. Property, plant and equipment

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Computers	Total Property, plant and equipment
Gross carrying value						
Additions	3,84,93,945	11,97,14,548	45,91,75,499	30,59,649	77,19,933	**62,81,63,574**
Disposals			(9,80,788)			**(9,80,788)**
As at March 31, 2021	**3,84,93,945**	**11,97,14,548**	**45,81,94,711**	**30,59,649**	**77,19,933**	**62,71,82,786**
Depreciation						
Charge for the year	-	57,22,922	4,32,59,371	4,21,786	13,11,743	**5,07,15,822**
Disposals			(16,425)			**(16,425)**
As at March 31, 2021	**-**	**57,22,922**	**4,32,42,946**	**4,21,786**	**13,11,743**	**5,06,99,397**
Net carrying value						
As at March 31, 2021	**3,84,93,945**	**11,39,91,626**	**41,49,51,765**	**26,37,863**	**64,08,190**	**57,64,83,389**

Capital work-in-progress : Rs.117,187,138
Notes:

Pledge on Property, plant and equipment:
Property, plant and equipment with a carrying amount of Rs.576,488,303 are subject to a pari passu first charge on the Company's term loans. Further, the property, plant and equipment are subject to a pari passu second charge on the Company's current borrowings. Also, refer note 11A.

Intangible Assets

Particulars	Total Intangible Assets (B)
Gross carrying value	
Additions	38,59,966
Disposals	-
As at March 31, 2021	**38,59,966**
Amortisation	
Charge for the year	8,23,280
Disposals	**-**
As at March 31, 2021	**8,23,280**
Net carrying value	
As at March 31, 2021	**30,36,686**

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4. Financial assets

Other financial assets

Particulars	March 31,2021
Non-current (unsecured, considered good unless stated otherwise)	
Security deposits	1,03,00,000
Total	**1,03,00,000**

5. Deferred tax assets (Net)

Particulars		March 31,2021
Deferred tax liability		
Income tax at the applicable rate on the difference between the aggregate book written down value and tax written down value of property, plant and equipment		(86,65,735)
	(A)	**(86,65,735)**
Deferred tax asset		
Carry forward business losses and unabsorbed depreciation		5,39,40,765
	(B)	**5,39,40,765**
Deferred tax assets (Net)	**(A+B)**	**4,52,75,030**

For the year ended March 31, 2021:

Particulars	Opening balance	Recognised in profit & loss	Recognised in other comprehensive income	Closing balance
Accelerated depreciation for tax purposes	-	(86,65,735)	-	(86,65,735)
Carry forward business losses and unabsorbed depreciation	-	5,39,40,765	-	5,39,40,765
	-	**4,52,75,030**	**-**	**4,52,75,030**

6. Other assets

Particulars	March 31,2021
A) Non-current (unsecured, considered good unless otherwise stated)	
Capital advances	2,82,00,486
	2,82,00,486
Less: Allowance for doubtful advances	-
Total	**2,82,00,486**
B) Current (unsecured, considered good unless otherwise stated)	
Advances recoverable in cash or kind	26,38,352
Prepayments	16,26,128
Balances with statutory/Government authorities	2,99,40,797
Total	**3,42,05,277**

7. Inventories

Particulars	March 31,2021
(At lower of cost and net realisable value)	
Raw materials	26,60,582
Work-in-progress	-
Finished goods	1,71,150
Stores, spares and packing materials	1,27,05,238
Total	**1,55,36,970**

8. Trade receivables

Particulars	March 31,2021
Unsecured	
Considered good	53,32,297
Receivable from related parties (refer note no.26)	3,63,19,622
Total	**4,16,51,919**

Laurus Synthesis Private Limited

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

(All amounts in Rupees except for share data or as otherwise stated)

Balance at the end of the year

Laurus Synthesis Private Limited

CIN: U24110TG2020PTC140333

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

(All amounts in Rupees except for share data or as otherwise stated)

9. Cash and cash equivalents and other bank balances

Particulars	March 31,2021
A) Cash and cash equivalents	
Balances with banks	
- On current accounts	71,58,205
Cash on hand	1,09,358
Total	**72,67,563**

10. Equity share capital

Particulars	March 31,2021
Authorised	
100,000 Equity shares of Rs.10/- each	10,00,000
Total	**10,00,000**
Issued, Subscribed and Paid Up	
100,000 Equity share of Rs.10/- each fully paid up	10,00,000
Total	**10,00,000**

10.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

	For the year ended March 31, 2021	
	No.	**Rs.**
Equity Shares of Rs.10 each, fully paid up		
Issued during the year	1,00,000	10,00,000
Outstanding at the end of the year	**1,00,000**	**10,00,000**

10.2 Details of shareholders holding more than 5% shares of the Company:

Particuarls	March 31,2021	
Equity shares of Rs. 10/- each held by	**% Holding**	**No.**
Laurus Labs Limited	**100%**	1,00,000

11. Financial liabilities

Particulars	March 31,2021
A) Non-current borrowings	
Term loans	
Indian rupee loans from banks (Secured) (a)	42,15,02,394
Total	**42,15,02,394**
Current maturities of non-current borrowings	
Term loans	
Indian rupee loans from banks (Secured) (a)	6,00,00,000
	6,00,00,000
Less: Amount disclosed under the head "other current financial liabilities"	(6,00,00,000)
Total	**-**

a) Term Loan is secured by exclusive charge on fixed assets of the company (both present & future) and is also backed by corporate guarantee issued by Laurus Labs Limited

Current borrowings are availed in Rupee. Interest on rupee loans at 1M MCLR plus 0.20%. These borrowings are secured by exclusive charge on the current assets of the company, and also backed by corporate guarantee from Laurus Labs Limited – to be used only if there is short term borrowing outstanding as on 31st March, 2021

Total	**-**

Laurus Synthesis Private Limited

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

(All amounts in Rupees except for share data or as otherwise stated)

B) Trade payables

Particulars	March 31,2021
Valued at amortised cost	
- Total outstanding dues to creditors other than micro enterprises and small enterprises	7,05,84,410
- Outstanding dues to related parties (refer note no. 26)	5,67,39,260
Total	**12,73,23,670**
- Total outstanding dues to micro enterprises and small enterprises	69,39,918
Total	**69,39,918**

C) Loans

Particulars	March 31,2021
A) Non-current	
Loan from holding company	34,21,89,032
Total	**34,21,89,032**

D) Current maturities and other liabilities

Particulars	March 31,2021
Current maturities of non-current borrowings (refer note no. 11A)	6,00,00,000
Capital creditors	7,60,80,649
Interest accrued	3,67,66,966
Total	**17,28,47,615**

12. Other Financial Liabilities

Particulars	March 31,2021
Payable due to Business Purchase	85,01,656
Total	**85,01,656**

13. Other non-current and current liabilities

Particulars	March 31,2021
Current	
Statutory dues	14,54,034
Total	**14,54,034**

14. Provisions

Particulars	March 31,2021
A) Non-current provisions	
Provision for gratuity	10,45,873
Provision for compensated absences	12,60,851
Total	**23,06,724**
B) Current provisions	
Provision for gratuity	1,667
Provision for compensated absences	3,12,202
Total	**3,13,869**

15. Income tax assets/liabilities

Particulars	March 31,2021
Income tax assets	
Advance tax (net)	17,50,540
Total	**17,50,540**

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Notes to Financial Statements for the year ended March 31, 2021
(All amounts in Rupees except for share data or as otherwise stated)

	Particulars		For the year ended March 31, 2021
16.	**Revenue from operations**		
	Sale of products		
	Income from Sale of API, Intermediates and Conversion		15,12,49,856
	Income from sale of traded goods		50,02,279
		(A)	**15,62,52,135**
	Other operating revenue		
	Sale of scrap		26,793
		(B)	**26,793**
	Revenue from operations	(A+B)	**15,62,78,928**

17. Other income

Particulars	For the year ended March 31, 2021
Miscellaneous income	74,010
Total	**74,010**

18. Cost of materials consumed

Particulars		For the year ended March 31, 2021
Raw materials consumed		
Opening stock at the beginning of the year		-
Add : Purchases		5,32,90,024
		5,32,90,024
Less : Closing stock at the end of the year		26,60,582
	(A)	**5,06,29,442**
Packing materials consumed	(B)	39,032
Total	(A+B)	**5,06,68,474**

19. Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended March 31, 2021
Opening stock of inventories	
Finished goods of API and Intermediates	-
Work-in-progress of API and Intermediates	-
	-
Closing stock of inventories	
Finished goods of API and Intermediates	1,71,150
Work-in-Progress of API and Intermediates	-
	1,71,150
(Increase)/Decrease in inventories of finished goods and work-in-progress	**(1,71,150)**
(Increase)/Decrease in finished goods of API and Intermediates	(1,71,150)
(Increase)/Decrease in Work-in-Progress of API and Intermediates	-
(Increase)/Decrease in inventories of finished goods and work-in-progress	**(1,71,150)**

20. Employee benefits expenses

Particulars	For the year ended March 31, 2021
Salaries, allowances and wages	4,36,75,444
Contribution to provident fund and other funds	30,35,789
Gratuity expense	10,47,540
Recruitment and training	76,216
Staff welfare expenses	1,23,11,145
Total	**6,01,46,133**

Laurus Synthesis Private Limited

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

(All amounts in Rupees except for share data or as otherwise stated)

21. Other expenses

Particulars	For the year ended March 31, 2021
Consumption of stores and spares	3,00,73,750
Factory maintenance	2,31,17,475
Effluent treatment expenses	73,34,595
Power and fuel	2,70,88,156
Repairs and maintenance	
Plant and machinery	1,86,83,518
Buildings	51,83,831
Others	9,99,150
Testing and analysis charges	19,380
Rent	2,20,000
Rates and taxes	21,55,719
Office maintenance	62,200
Insurance	24,38,031
Printing and stationery	12,02,836
Consultancy and other professional charges	9,15,064
Membership and subscription	15,000
Remuneration to auditors	
-Audit fee	2,00,000
Travelling and conveyance	97,802
Communication expenses	3,97,771
Loss on sale of property, plant and equipment (net)	4,982
Net loss on foreign exchange fluctuations	1,06,748
Carriage outwards	6,47,749
Business promotion and advertisement	10,63,121
Total	**12,20,26,877**

22. Finance costs

Particulars	For the year ended March 31, 2021
Interest	
- on term loans	54,70,684
- on working capital loans	-
- on Intercorporate loans	3,97,48,071
Total interest expense	**4,52,18,756**
Bank charges	83,691
Total	**4,53,02,446**

23. Components of other comprehensive income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

Particulars	For the year ended March 31, 2021
Remeasurement gains/(losses) on defined benefit plans	-
Deferred tax on remeasurement of defined benefit plans	-
Total	-

24. Earnings per share (EPS)

Particulars	For the year ended March 31, 2021
The following reflects the profit and share data used in the basic and diluted EPS computations:	
Profit for the year attributable to shareholders	(12,87,95,677)
Weighted average number of equity shares in computing basic EPS	87,123
Add: Effect of dilution	-
Weighted Average number of Equity Shares in computing diluted earnings per share	87,123
Face value of each equity share (Rs.)	10.00
Earnings per share	
- Basic (Rs.)	(1,478)
- Diluted (Rs.)	(1,478)

25. Taxes

(a) Income tax expense:

The major components of income tax expenses for the year ended March 31, 2021

Statement of Profit and Loss

Particulars	For the year ended March 31, 2021
Current tax	-
Deferred tax credit	(4,52,75,030)
Total income tax expense recognised in Statement of Profit and Loss	(4,52,75,030)

(b) Reconciliation of effective tax rate:

Particulars	For the year ended March 31, 2021
Profit before tax (A)	(17,40,70,707)
Enacted tax rate in India (B)	26.00%
Expected tax expenses (C = A*B)	(4,52,58,384)
Other than temporary difference	
Others	(64,022)
Profit after adjusting permanent differences	(17,41,34,729)
Expected tax expense	(4,52,75,030)
Total Tax expense	(4,52,75,030)
Effective tax rate	26.00%

26. Related party disclosures

Names of related parties and description of relationship

Name of the related party	Relationship
i) Laurus Labs Limited	Holding Company
ii) Sriam Labs Private Limited	Other Group Company

Transactions during the year :

	For the year ended March 31, 2021
i) Laurus Labs Limited	
Inter Corporate Loan taken	82,21,89,032
Investments received	10,00,000
Interest on Inter Corporate Loan	3,97,48,071
Conversion income	10,20,46,064
Sale of goods	3,95,65,634
Asset sale	4,15,954
Purchases	3,56,31,917
Asset purchases	60,48,328
Reimbursement of expenses	73,44,325
ii) Sriam labs private limited	
Asset sale	5,59,761

Closing balances (Unsecured)

	March 31,2021
i) Laurus Labs Limited	
Trade payable	5,67,39,260
Trade receivable	3,63,19,622
Inter Corporate Loan	34,21,89,032
Interest payable on Inter Corporate Loan	3,67,66,966

27. Gratuity

Defined Benefit Plans

The Company has a defined benefit gratuity plan and governed by Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service is entitled to a gratuity on departure at 15 days salary for each completed year of service. The following tables summarise net benefit expenses recognised in the statement of profit and loss and the amount recognised in the Balance sheet for the gratuity.

	Particualrs	March 31, 2021
i)	**Net employee benefit expense (recognised in Employee benefits expenses)**	
	Current service cost	10,47,540
	Interest cost	-
	Expected return on plan assets	-
	Net employee benefit expenses	**10,47,540**
ii)	**Amount recognised in the Balance Sheet**	
	Defined benefit obligation	10,45,873
	Fair value of plan assets	-
		10,45,873
iii)	**Changes in the present value of the defined benefit obligation**	
	Opening defined benefit obligation	-
	Current service cost	10,47,540
	Interest cost	-
	Benefits paid	-
	Net Actuarial (gains) / losses on obligation for the year recognised under OCI	-
	Closing defined benefit obligation	**10,47,540**

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

iv)	**Remeasurement adjustments:**	
	Financial loss/ (gain) on plan assets	-
	Remeasurement gains/(losses) recognised in other comprehensive income:	-

(a) The principal assumptions used in determining gratuity for the Company's plans are shown below:

	March 31, 2021
Discount rate	7%
Expected rate of return on assets	-
Salary rise	13%
Attrition Rate	0%

The estimates of future salary increases, considered in the actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the actual rate of return during the current year.

(b) **Disclosure related to indication of effect of the defined benefit plan on the entity's future cashflows:**

Expected benefit payments for the year ending:

Year ending	March 31, 2021
1st year	1,667
2nd year	14,225
3rd year	1,642
4th year	44,977
5th year	1,45,495

(c) **Sensitivity analysis:**

A quantitative sensitivity analysis for significant assumption is as shown below:

	March 31, 2021
(i) Effect of 1% change in assumed discount rate	
- 1% increase	9,47,146
- 1% decrease	11,63,616
(ii) Effect of 1% change in assumed salary escalation rate	
- 1% increase	11,60,894
- 1% decrease	9,47,295
(iii) Effect of 1% change in assumed attrition rate	
- 1% increase	9,90,296
- 1% decrease	11,10,129

(d) **Defined Contribution Plan**

	March 31, 2021
Contribution to Provident Fund	26,99,935
Contribution to Superannuation Fund	-

28. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure in consideration to the changes in economic conditions and the requirements of the financial covenants. To maintain the capital structure, the Company may adjust the return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, borrowings including interest accrued on borrowings, trade and other payables, less cash and short-term deposits.

Particulars	March 31, 2021
Borrowings including interest accrued on borrowings (Note 11)	86,04,58,392
Less: Cash and short-term deposits (Note 9)	(72,67,563)
Net debt	**85,31,90,829**
Equity	10,00,000
Other equity	(12,87,95,677)
Total equity	**(12,77,95,677)**
Gearing ratio (Net debt/ Total equity)	(6.68)

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2021.

29. Commitments and Contingencies

A. Leases

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

Operating lease commitments - Company as lessee

The Company's lease asset classes primarily consist of leases for land. The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2021

Particulars	March 31, 2021
Additions	9,32,55,208
Depreciation	(9,11,762)
Closing Balance	**9,23,43,446**

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the statement of profit and loss

The following is the movement in lease liabilities during the year ended March 31, 2021

Particulars	March 31, 2021
Additions	9,32,55,208
Finance cost accrued during the year	-
Payment of lease liabilities	(7,56,00,000)
Closing Balance	1,76,55,208

The following is the break-up of current and non-current lease liabilities as at March 31, 2021

Particulars	March 31, 2021
Non-current lease liabilities	1,67,29,282
Current lease liabilities	9,25,926
Total	1,76,55,208

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2021 on discounted basis

Particulars	March 31, 2021
Within one year	9,25,926
After one year but not more than five years	33,98,543
More than five years	1,33,30,739

B. Commitments

Particulars	March 31, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for	15,82,57,808

30. Liquidity disclosures

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.
The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Particulars	Up to 1 Year	1 to 3 years	3 to 5 years	Total
March 31, 2021:				
Non-current borrowings (including current maturities)	6,00,00,000	42,00,00,000	-	48,00,00,000
Current borrowings	-	-	-	-
Intercorporate loan payable	-	34,21,89,032		34,21,89,032
Interest payable	-	3,67,66,966	-	3,67,66,966
Trade payables	13,42,63,588	-	-	13,42,63,588
Other payables	85,01,656	-		85,01,656
	20,27,65,244	**79,89,55,998**	**-**	**1,00,17,21,242**

31. Business combination

Acquisitions during the year ended March 31, 2021

During the current year ended March 31, 2021, the Company entered into a Business transfer agreement and acquired a bulk drug manufacturing unit from Phalanx Labs Private Limited, located at Visakhapatnam, on a slump sale basis w.e.f. June 01, 2020. The Company accounted for the business combination in accordance with the requirement of Ind AS 103 Business Combination which lays down the principles in respect of accounting for business combinations. Accordingly, assets acquired has been recorded at fair values.

Assets acquired

The fair values of the identifiable assets of the said unit of Phalanx Labs Private Limited as at the date of acquisition were:

Particulars	June 01, 2020
Non-current assets	
Property, plant and equipment	60,00,00,000
Financial Assets	
Security deposits	1,00,00,000
Total Assets acquired	**61,00,00,000**
Total purchase consideration transferred	60,14,98,342
Balance purchase consideration payable	85,01,658

As per our report of even date

For Ramasamy Koteswara Rao and Co LLP
Chartered Accountants

C V Koteswara Rao
Partner
Membership No.028353

Place: Hyderabad
Date: April 22, 2021

For and on behalf of the Board of Directors
Laurus Synthesis Private Limited

Krishna Chaitanya Chava
Director
DIN: 06831883

Narasimha Rao DVL
Director
DIN: 03258307

Narasimha Rao Chava
Director
DIN: 08836445

Sita Ramaiah Ch
Director
DIN: 08210856

Place: Hyderabad
Date: April 22, 2021