



INDEPENDENT AUDITOR'S REPORT

To
The Members of Sriam Labs Private Limited
Report on the Audit of Ind AS Financial Statements

Opinion

We have audited the accompanying financial statements of **Sriam Labs Private Limited** ("the Company"), which comprise the Balance Sheet as on March 31, 2022 and the Statement of Profit and Loss (including the statement of Other Comprehensive Income), the Statement of Changes in Equity and the Statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2022, and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

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 Board's Report including Annexures to Board's 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.

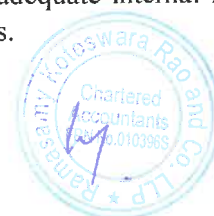
The Board of Directors are also responsible for overseeing the Company's financial reporting process.

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. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.



CHARTERED ACCOUNTANTS

- 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.

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

Report on Other Legal and Regulatory Requirements

1. As required by 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and 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 complied 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.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

- v. No dividend has been declared or paid during the year by the company.



- CHARTERED ACCOUNTANTS**
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Place: Hyderabad
Date: 21-04-2022



(C V Koteswara Rao)
Partner
Membership No.028353

UDIN: 22028353AHOLCM5134

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Annexure-A to the Auditors' Report
CHARTERED ACCOUNTANTS

(referred to in paragraph under heading "Report on other legal and regulatory requirements"2 of our Report of even date to the Members of "Sriam Labs Private Limited" for the year ended March 31, 2022)

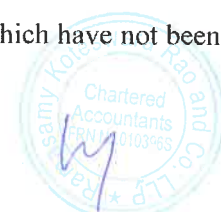
In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that;

- i. In respect to Company's Property, Plant and Equipment and Intangible assets
 - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, Plant and Equipment
 - (B) The company has maintained proper records showing full particulars of intangible assets
 - (b) All the Property, Plant and Equipment 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 to us and based on the examination of registered sale deed, the title deeds of immovable properties included in property, plant and equipment are held in the name of the company.
 - d) The company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.
 - e) No proceedings have been initiated during the year or are pending against the company as at March 31, 2022 for holding any benami property under the Benami Transactions (prohibition), Act, 1988 (as amended in 2016) and rules made thereunder.
- ii.
 - a) The inventories were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.
 - b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising (stock statements, book debt statements, credit monitoring arrangement reports, statements on ageing analysis of the debtors/other receivables, and other stipulated financial information) filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters
- iii.
 - a) The Company has provided loans to other entity during the year, the details are as follows:



Sl.No	Particulars	Loan amount	Advances in nature of loans
1	Aggregate amount provided during the year : Others	7,50,00,000/-	Nil
2.	Balance outstanding as at balance sheet date in respect of above cases- Others	7,50,00,000/-	Nil

- b) In our opinion, the terms and conditions of loans given during the year are, prima facie, not prejudicial to the Company's interest.
- c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular.
- d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted and advances in the nature of loans provided by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- e) None of the loan or advances in the nature of loan granted by the company have fallen due during the year.
- f) According to information and explanations given to us and based on the audit procedures performed, the company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year, hence reporting under clause 3(iii)(f) is not applicable.
- iv. The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.
- v. The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be 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. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- 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, 2022 for a period of more than six months from the date on when they become payable.
- (b) there are no statutory dues referred in sub-clause (a) above which have not been deposited on account of disputes as on March 31, 2022



- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company has not taken any term loans during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) The Company did not have any subsidiary or joint venture or associate during the year and hence reporting under clause (ix)(e) of the order is not applicable.
- (f) The Company has not raised any loans during the year and hence reporting on clause (ix)(f) of the Order is not applicable.
- x. (a) 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 (x)(a) of the Order are not applicable to the Company and hence not commented upon.
- (b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- xi. (a) According to the information and explanations given by the management, no fraud by the company and no material fraud on the Company has been noticed or reported during the year.
- (b) According to the information and explanations given by the management, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year (and up to the date of this report)
- xii. The Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company.
- xiii. In our opinion, the Company is in compliance with section 188 of the Companies Act for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards. The Company is a private company and hence the provisions of section 177 of the Companies Act, 2013 are not applicable to the Company.



- xiv. In our opinion, the Company is not required to have an internal audit system under Section 138 of the Companies Act, 2013, hence the provisions of clause xiv (a) and (b) of the order are not applicable to the Company
- 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 its directors and hence provisions of section 192 of Companies Act, 2013, are not applicable to the company.
- xvi. (a) the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 Hence reporting under clause 3(xvi)(a) and (b) of the order is not applicable.

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

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

Place: Hyderabad
Date: 21-04-2022



(C V Koteswara Rao)
Partner
Membership No.028353
UDIN: 22028353AHOLCM5134

**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE
STANDALONE FINANCIAL STATEMENTS OF SRIAM LABS PRIVATE LIMITED**

**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 **Sriam Labs Private Limited**

We have audited the internal financial controls over financial reporting of **Sriam Labs Private Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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




(C V Koteswara Rao)
Partner
Membership No.028353

Place: Hyderabad
Date: 21-04-2022

UDIN: 22028353AHOLCM5134

Sriam Labs Private Limited
CIN : U24239TG2002PTC038490
Balance Sheet as at March 31, 2022

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

	Notes	March 31, 2022	March 31, 2021
ASSETS			
Non Current Assets			
Property, Plant and Equipment	3	151,197,469	166,941,603
Capital work in progress	3	1,366,050	2,134,121
Intangible assets	4	36,605	74,135
Financial Assets			
Loans	5A	75,000,000	-
Other financial assets	5B	4,802,126	5,216,333
Deferred Tax Assets (Net)	6	1,453,896	22,548,482
		<u>233,856,146</u>	<u>196,914,674</u>
Current Assets			
Inventories	8	121,399,349	144,794,023
Financial Assets			
Trade receivables	9	177,949,982	132,343,747
Cash and cash equivalents	10	29,555,542	902,397
Others	5B	907,356	3,162,089
Income tax assets (net)	16	-	2,879,965
Other Current Assets	7	17,268,586	10,530,291
		<u>347,080,815</u>	<u>294,612,512</u>
Total Assets		<u>580,936,961</u>	<u>491,527,186</u>
EQUITY and LIABILITIES			
Equity			
Equity share capital	11	142,033,630	142,033,630
Other Equity		239,141,814	111,042,608
Total Equity		<u>381,175,444</u>	<u>253,076,238</u>
Non Current Liabilities			
Financial Liabilities			
Provisions	15A	14,588,826	15,331,956
		<u>14,588,826</u>	<u>15,331,956</u>
Current Liabilities			
Financial Liabilities			
Borrowings	12	-	37,987,269
Trade Payables			
- Outstanding dues to micro enterprises and small enterprises	13	11,721,796	8,125,245
- Outstanding dues to creditors other than micro enterprises and small enterprises	13	152,170,983	162,127,087
Other Financial Liabilities	14	3,029,165	3,985,831
Other current liabilities	17	14,484,351	4,041,824
Provisions	15B	2,139,455	1,233,787
Income tax liabilities (net)	16	1,626,941	5,617,949
		<u>185,172,691</u>	<u>223,118,992</u>
Total Equity and Liabilities		<u>580,936,961</u>	<u>491,527,186</u>

Summary of significant accounting policies

2.1

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
Sriam Labs Private Limited

C V Koteswara Rao
Partner
Membership No. 028353

UDIN :- 22028353AH0LCM5134



Dr. C V Lakshmana Rao
Director

Dr. V Umamaheswara Rao
Director

G Venkateswar Reddy
Company Secretary



Place: Hyderabad
Date: April 21, 2022

Place: Hyderabad
Date: April 21, 2022

Sriam Labs Private Limited
CIN : U24239TG2002PTC038490
Statement of Profit and Loss for the Year ended March 31,2022
(All amounts in Rupees except for share data or as otherwise stated)

	Notes	For the Year ended March 31, 2022	For the Year ended March 31, 2021
INCOME			
I. Revenue from Operations	18	973,574,904	805,620,195
Total Revenue (I)		973,574,904	805,620,195
EXPENSES			
II. Cost of Materials Consumed	19	515,754,412	414,499,016
Decrease / (Increase) in Inventories of Finished Goods and Work-in-Progress	20	10,582,007	(17,424,470)
Employee Benefits Expenses	21	63,024,677	61,702,092
Other expenses	22	180,256,474	166,385,648
Total Expenses (II)		769,617,570	625,162,286
Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) (I-II)		203,957,334	180,457,909
Depreciation and Amortisation	3	23,487,701	25,621,784
Finance Income	23A	(803,766)	(212,664)
Finance Costs	23B	2,052,583	9,943,468
Profit Before Tax		179,220,816	145,105,321
Profit Before Tax for the year		179,220,816	145,105,321
III. Tax Expense			
Current Tax		54,589,904	25,698,919
MAT Credit		-	(20,674,650)
Deferred Tax Charge/ (Credit)		(2,270,048)	36,609,037
Income tax expense/(Credit)		52,319,856	41,633,306
IV. Profit for the year		126,900,960	103,472,015
Othe comprehensive income (OCI)	24		
Items that will not be reclassified subsequently to profit or loss:			
Re-measurement gains / (losses) on employee defined benefit plans		1,690,528	(1,774,626)
Income tax effect		(492,282)	516,771
Total other comprehensive income for the year net of tax		1,198,246	(1,257,855)
Total comprehensive income for the year, net of tax		128,099,206	102,214,160
Earnings Per Equity Share Rs. 10/- each fully paid (March 31, 2021: Rs. 10/- each fully paid)	25		
Computed on the basis of total profit for the year			
Basic (Rs.)		8.93	7.29
Diluted (Rs.)		8.93	7.29
Summary of Significant Accounting Policies	2.1		

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

C V Koteswara Rao
Partner
Membership No. 028353

UDIN:- 22028353AHOLLMS134



For and on behalf of the Board of Directors
Sriam Labs Private Limited

Dr. C V Lakshmana Rao
Director

G Venkateswar Reddy
Company Secretary

Dr. V Umamaheswara Rao
Director

Place: Hyderabad
Date: April 21, 2022

Place: Hyderabad
Date: April 21, 2022



Sriam Labs Private Limited
CIN : U24239TG2002PTC038490
Cash Flow Statement for the Year ended March 31, 2022
(All amounts in Rupees except for share data or as otherwise stated)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Cash Flow From Operating Activities		
Profit Before Tax	179,220,816	145,105,321
Adjustments for :		
Depreciation and amortisation	23,487,701	25,621,784
Interest income	(803,766)	(212,664)
Interest expense	1,309,786	8,623,686
Net loss on foreign exchange fluctuations	2,064,279	581,599
Operating Profit Before Working Capital Changes	205,278,816	179,719,726
Movement In Working Capital:		
Decrease/(Increase) in inventories	23,394,674	(51,921,654)
Decrease/(Increase) in trade receivables	(45,606,235)	(15,091,639)
Decrease/(Increase) in long term loans and advances	414,207	(1,132,843)
Decrease/(Increase) in other current assets	(4,483,562)	(3,366,605)
Increase/ (Decrease) in Provisions	1,853,066	1,348,341
Increase/(Decrease) in trade payables	(6,359,553)	25,396,223
Increase/ (Decrease) in other current liabilities	10,134,427	2,684,763
Cash Generated From Operations	184,625,840	137,636,312
Direct taxes paid	32,828,595	23,641,775
Foreign Exchange (Gain)/loss	2,064,279	581,599
Net Cash Flow from/ (used in) Operating Activities (A)	149,732,966	113,412,938
Cash Flow Used In Investing Activities		
Purchase of Tangible Assets, including intangible assets, capital work in progress and capital advances	(7,586,532)	(11,375,293)
Net Cash Flow Used In Investing Activities (B)	(7,586,532)	(11,375,293)
Cash Flow From Financing Activities		
Proceeds/(Repayment) from other loans	-	(184,878)
Proceeds/(Repayment) from short - term borrowings (net)	(37,987,269)	(93,849,509)
Loan to associate	(75,000,000)	-
Interest received	803,766	212,664
Interest paid	(1,309,786)	(8,623,686)
Net cash flows used in financing activities (C)	(113,493,289)	(102,445,409)
Net increase/ (Decrease) in cash and cash equivalents (A+B+C)	28,653,145	(407,764)
Cash and Cash Equivalents at the beginning of the year	902,397	1,310,161
Cash and Cash Equivalents at the end of the Year	29,555,542	902,397
Components of Cash and Cash Equivalents:		
Cash on hand	132,888	74,183
Balances with banks		
On current accounts	29,422,654	828,214
Total Cash and Cash Equivalents	29,555,542	902,397

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/5200084

C V Koteswara Rao
Partner
Membership No. 028353

UDINI- 22028353 AH OLCMS134



For and on behalf of the Board of Directors
Sriam Labs Private Limited

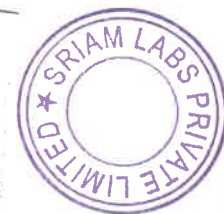
Dr. C V Lakshmana Rao
Director

Dr. V Umamaheswara Rao
Director

G Venkateswar Reddy
Company Secretary

Place: Hyderabad
Date: April 21, 2022

Place: Hyderabad
Date: April 21, 2022



Sriam Labs Private Limited
CIN : U24239TG2002PTC038490

Statement of Changes in Equity for the Year ended March 31, 2022
(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.
As at April 01, 2020	14,203,363	142,033,630
Issued during the year	-	-
As at March 31, 2021	14,203,363	142,033,630
Issued during the year	-	-
As at March 31, 2022	14,203,363	142,033,630

b. Other Equity

	Reserves and surplus		Othe comprehensive income	Total
	Securities Premium	Retained Earnings	FVTOCI reserve	
As at April 01, 2020	33,632,143	(23,992,630)	(811,065)	8,828,448
Profit for the year	-	103,472,015	(1,257,855)	102,214,160
Other Comprehensive Income	-	-	-	-
At March 31, 2021	33,632,143	79,479,385	(2,068,920)	111,042,608
Profit for the year	-	126,900,960	1,198,246	128,099,206
Received during the year	-	-	-	-
At March 31, 2022	33,632,143	206,380,345	(870,674)	239,141,814

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

C V Koteswara Rao
Partner
Membership No. 028353

UDINI-22028353AHOICM5134



For and on behalf of the Board of Directors
Sriam Labs Private Limited

Dr. C V Lakshmana Rao Dr. V Umamaheswara Rao
Director Director

G Venkateswar Reddy
Company Secretary

Place: Hyderabad
Date: April 21, 2022



Sriam Labs Private Limited

CIN: U24239TG2002PTC038490

Notes to financial statements for the year ended March 31, 2022

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

1. Corporate Information

M/s. Sriam Labs Private Limited manufactures Active Pharmaceutical Ingredients (APIs) and Pharmaceutical Intermediates meeting the quality parameters of the industry and is dedicated to the mission "Quality designed for excellence" to satisfy their valued domestic and export customers.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ('Ind AS'), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified). 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.

For all periods up to and including the year ended March 31, 2016, the Company had prepared its financial statements in accordance accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ('Indian GAAP'). Effective April 1, 2016, the Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards, with April 1, 2015 as the transition date.

2.1 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 as current when it is:

- Expected to be realised or intended to 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) 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, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognised.

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. 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.

Interest Income

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



Sriam Labs Private Limited
CIN: U24239TG2002PTC038490

Notes to financial statements for the year ended March 31, 2022
(All amounts in Rupees except for share data or as otherwise stated)

d) 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.

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

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 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 utilised.

Deferred tax liabilities are recognised for all taxable temporary differences.

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

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

e) Property, plant and equipment

Under the previous GAAP (Indian GAAP), property, plant and equipment were carried in the balance sheet prepared in accordance with Indian GAAP on the basis of cost, net of accumulated depreciation and accumulated impairment losses, if any. The Company has elected to regard those values as deemed cost at the date of transition. The Company regards the carrying value as per the previous GAAP as deemed cost at the transition date, viz., 1 April 2015.

Construction in progress, 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 repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

f) Depreciation on tangible Fixed Assets

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

	Useful lives estimated by the management (years)	Useful lives as stated in the Act (years)
Factory buildings	30	30
Other buildings	60	60
Plant and Equipment	5-20	5-20
Furniture and fixtures	10	10
Vehicles	4	8
Computers	3-6	3-6

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 income statement when the asset is derecognised.

g) Intangible assets

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

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.

h) 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.



Sriam Labs Private Limited
CIN: U24239TG2002PTC038490

Notes to financial statements for the year ended March 31, 2022

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

i) Inventories

Raw materials and packing materials are valued at lower of cost and net realisable value. 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 of raw materials and packing materials is determined on a weighted average basis.

Work-in-progress and finished goods are valued at the lower of cost and net realisable value. Cost includes direct materials, labour and a proportion of manufacturing overheads. Cost of finished goods is determined on a weighted average basis.

Traded goods are valued at the lower of cost and net realisable value.

Stores and spares are valued at the lower of cost and net realisable value. Cost of stores and spares is determined on a weighted average basis.

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.

j) Impairment of non-financial assets

Impairment losses of continuing operations, including impairment on inventories, are recognised in profit or loss section of the statement of profit and loss

k) 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.

l) Gratuity and other post-employment benefits

Retirement benefits in the form of provident fund contribution and superannuation are defined contribution schemes. The contributions to the provident fund and superannuation fund are charged to the statement of profit and loss for the year when the contributions are due.

The Company treats accumulated leave, as a long-term employee benefit for measurement purposes. Such long-term compensated absences 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.

m) 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, financial assets are classified as "Debt instruments at amortised cost"

Debt instruments at amortised cost

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.

This category is the most relevant to the Company. 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. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

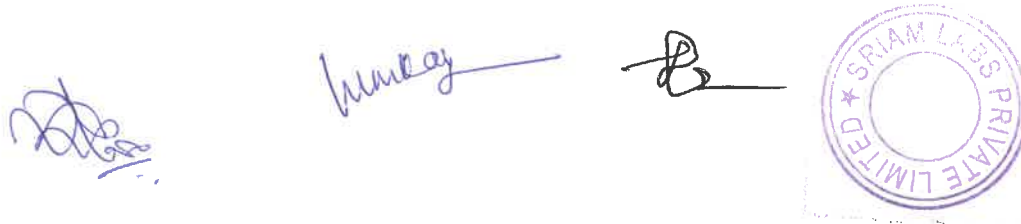
Derecognition

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 consolidated balance sheet) when:

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

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



The bottom of the page features three handwritten signatures in blue ink. To the right of these signatures is a circular purple stamp. The stamp contains the text 'SRIAM LABS PRIVATE LIMITED' around the perimeter and a star in the center.

Sriam Labs Private Limited
CIN: U24239TG2002PTC038490

Notes to financial statements for the year ended March 31, 2022
(All amounts in Rupees except for share data or as otherwise stated)

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, debt securities, deposits, trade receivables and bank balance.
- (b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

The Company follows 'simplified approach' for recognition of impairment loss allowance on:

Trade receivables or contract revenue receivables; and

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.

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 EIR. When estimating the cash flows, an entity is required to consider:

- o All contractual terms of the financial instrument (including prepayment, extension, call 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

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

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/origination

Financial liabilities

Initial recognition and measurement

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

Subsequent measurement

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

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Loans and borrowings

This is the category most relevant to the Company. 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.

This category generally applies to interest-bearing loans and borrowings.

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. T transition date.

n) Cash and cash equivalents

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

o) 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.

Sriam Labs Private Limited
CIN: U24239TG2002PTC038490

Notes to financial statements for the year ended March 31, 2022
(All amounts in Rupees except for share data or as otherwise stated)

p) New standards and interpretations not yet adopted

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

Ind AS 103 - Reference to Conceptual Framework

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

Ind AS 16 - Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 - Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the "cost of fulfilling" a contract comprises the "costs that relate directly to the contract". Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 - Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the "10 percent" test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 116 - Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.



Sriam Labs Private Limited
CIN : U24239TG2002PTC038490

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

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

g) 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.

	March 31, 2022	March 31, 2021
i) Net employee benefit expense (recognised in Employee benefits expenses)		
Current service cost	1,393,409	1,371,818
Interest cost	725,460	490,129
Net employee benefit expenses	2,118,869	1,861,947
ii) Amount recognised in the Balance Sheet		
Defined benefit obligation	10,927,042	10,498,669
	10,927,042	10,498,669
iii) Changes in the present value of the defined benefit obligation		
Opening defined benefit obligation	10,498,701	7,553,426
Current service cost	1,393,409	1,371,818
Interest cost	725,460	490,129
Benefits paid	-	(691,298)
Net Actuarial (gains) / losses on obligation for the year recognised under OCI	(1,690,528)	1,774,626
Closing defined benefit obligation	10,927,042	10,498,701

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

	March 31, 2022	March 31, 2021
iv) Remeasurement adjustments:		
Financial loss/ (gain) on plan assets	(1,690,528)	1,774,626
v) Remeasurement gains/(losses) recognised in other comprehensive income:		
Opening Balance	4,950,634	3,176,008
Remeasurement for the year - Obligation (gain)/loss	(1,690,528)	1,774,626
Closing Balance	3,260,106	4,950,634

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

	March 31, 2022	March 31, 2021
Discount rate	7.34%	6.91%
Salary rise	11.00%	10.00%
Attrition Rate	10.50%	5.00%

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, 2022	March 31, 2021
1st year	984,117	434,118
2nd year	870,140	580,805
3rd year	891,951	482,450
4th year	1,275,839	504,874
5th year	1,252,347	964,675

(c) **Sensitivity analysis:**

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

	March 31, 2022	March 31, 2021
(i) Effect of 1% change in assumed discount rate		
- 1% increase	(807,786)	1,111,438
- 1% decrease	926,645	(994,270)
(ii) Effect of 1% change in assumed salary escalation rate		
- 1% increase	858,639	(178,062)
- 1% decrease	(794,828)	205,819
(iii) Effect of 1% change in assumed attrition rate		
- 1% increase	(170,848)	(1,092,188)
- 1% decrease	190,998	1,293,588

(d) **Defined Contribution Plan**

	March 31, 2022	March 31, 2021
Contribution to Provident Fund	2,160,587	2,045,191



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

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r) Liquidity disclosure

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.

March 31, 2022:	Up to 1 Year (INR)	1 to 3 years (INR)	3 to 5 years (INR)	> 5 years (INR)	Total (INR)
Non current borrowings	-	-	-	-	-
Current maturities of non current borrowings	-	-	-	-	-
Current borrowings	-	-	-	-	-
Interest payable	-	-	-	-	-
Trade Payables	163,892,779	-	-	-	163,892,779
Other Payables	3,029,165	-	-	-	3,029,165
Total	166,921,944	-	-	-	166,921,944

March 31, 2021:	Up to 1 Year (INR)	1 to 3 years (INR)	3 to 5 years (INR)	> 5 years (INR)	Total (INR)
Non current borrowings	-	-	-	-	-
Current maturities of non current borrowings	185,377	-	-	-	185,377
Current borrowings	37,987,269	-	-	-	37,987,269
Interest payable	122,723	-	-	-	122,723
Trade Payables	170,252,332	-	-	-	170,252,332
Other Payables	3,677,731	-	-	-	3,677,731
Total	212,225,432	-	-	-	212,225,432

s) Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Company's profit before tax is affected through the impact on borrowings, as follows:

	Change in basis points		Effect on profit before tax	
	Increase	Decrease	Increase / (Decrease)	
March 31, 2022				
Indian Rupees	0.50%	0.50%	44,169	(44,169)
March 31, 2021				
Indian Rupees	0.50%	0.50%	644,305	(644,305)

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.



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

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t) I) **Foreign currency translation:**

i) **Initial recognition**

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii) **Conversion**

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that exist when the values were determined.

iii) **Exchange differences**

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

Transactions in foreign currency are recorded at the exchange rates prevailing at the date of the transactions. Exchange difference arising out of fluctuation in exchange rates on settlement/period end is charged to profit and loss account.

II) **Unhedged Foreign Exchange:**

a) **Forward Contract (Derivatives):**

Forward contract outstanding as at Balance Sheet date:

March 31, 2022 Buy US \$ Nil

March 31, 2021 Buy US \$ Nil

b) **Details of Unhedged Foreign Currency Exposure:**

The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are as under -

	Currency	March 31, 2022			March 31, 2021		
		Amount in Foreign Currency	Amount in Rs.	Conversion Rate	Amount in Foreign Currency	Amount in Rs.	Conversion Rate
Trade payables	USD	624,455	47,338,123	75.81	353,570	25,989,163	73.51
	EUR	-	-	-	5,120	440,827	86.10
Trade receivables	USD	137,545	10,426,875	75.81	478,842	35,197,300	73.51

c) **Foreign currency sensitivity:**

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including foreign currency derivatives. The Company's exposure to foreign currency changes for all other currencies is not material.

	Change in USD rate		Effect on profit before tax	
	Increase	Decrease	Increase/(Decrease)	
31-Mar-22				
USD	1%	1%	(369,112)	369,112
31-Mar-21				
USD	1%	1%	96,490	(96,490)



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Notes to financial statements for the year ended March 31, 2022
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3. Property, plant and equipment

Particulars	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Computers	Vehicles	Total Tangible Assets
Gross Block							
As at March 31, 2020	604,015	73,619,439	287,704,628	2,523,824	2,580,502	2,692,749	369,725,157
Additions	-	1,529,926	12,520,208	-	-	900,000	14,950,134
Disposals	-	-	-	-	-	-	-
As at March 31, 2021	604,015	75,149,365	300,224,836	2,523,824	2,580,502	3,592,749	384,675,291
Additions	-	-	7,596,036	-	110,000	-	7,706,036
Disposals	-	-	-	-	-	-	-
As at March 31, 2022	604,015	75,149,365	307,820,872	2,523,824	2,690,502	3,592,749	392,381,327
Depreciation and Impairment							
As at March 31, 2020	-	15,307,282	171,445,630	1,633,971	2,379,662	1,382,889	192,149,433
Charge for the year	-	2,369,279	22,443,790	206,260	91,077	473,848	25,584,254
Disposals	-	-	-	-	-	-	-
As at March 31, 2021	-	17,676,561	193,889,420	1,840,231	2,470,739	1,856,737	217,733,687
Charge for the period	-	2,378,209	20,168,635	201,712	105,712	595,903	23,450,171
Disposals	-	-	-	-	-	-	-
As at March 31, 2022	-	20,054,770	214,058,055	2,041,943	2,576,451	2,452,640	241,183,858
Net Block							
As at March 31, 2020	604,015	58,312,157	116,258,998	889,853	200,840	1,309,860	177,575,724
As at March 31, 2021	604,015	57,472,804	106,335,416	683,593	109,763	1,736,012	166,941,604
As at March 31, 2022	604,015	55,094,595	93,762,817	481,881	114,051	1,140,109	151,197,469

	March 31, 2022	March 31, 2021
Capital work in progress	1,366,050	2,134,121

4. Intangible Assets

Particulars	Total Intangible Assets
Gross Block	
As at March 31, 2020	24,648,040
Additions	-
Disposals	-
As at March 31, 2021	24,648,040
Additions	-
Disposals	-
As at March 31, 2022	24,648,040
Amortisation and Impairment	
As at March 31, 2020	24,536,375
Charge for the year	37,530
Disposals	-
As at March 31, 2021	24,573,905
Charge for the period	37,530
Disposals	-
As at March 31, 2022	24,611,435
Net Block	
As at March 31, 2020	111,665
As at March 31, 2021	74,135
As at March 31, 2022	36,605

Notes:

- 1) All the title deeds of immovable properties are held in the name of the Company
- 2) All the CWIP amount is for a period of less than one year



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

11. Equity share capital

	March 31, 2022	March 31, 2021
Authorised		
14,500,000 (March 31, 2021: 14,500,000) Equity shares of	145,000,000	145,000,000
Total	145,000,000	145,000,000
Issued, Subscribed and Paid Up		
14,203,363 (March 31, 2021: 14,203,363) Equity share of	142,033,630	142,033,630
Rs.10/- each fully paid up		
Total	142,033,630	142,033,630

11.1. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	March 31, 2022	March 31, 2021
	No of shares	No of shares
Equity Shares of Rs.10 Each, Fully paid up		
Balance as per last financial statements	14,203,363	14,203,363
Issued during the year	-	-
Outstanding at the end of the year	14,203,363	14,203,363

11.2. Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share at the general meetings of the Company.

11.3. Details of Shareholders holding more than 5% shares of the Company:

Equity Shares of Rs. 10/- each Held By	March 31, 2022		31-Mar-21	
	No.	% Holding	No.	% Holding
Laurus Labs Limited	14,203,363	100%	14,203,363	100%



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Notes to financial statements for the year ended March 31, 2022

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

5. Financial Assets

	March 31, 2022	March 31, 2021
A Loans		
Non-Current (unsecured, considered good unless otherwise stated)		
- Loans to related party	75,000,000	-
Total	75,000,000	-
B Others		
Non Current (unsecured, considered good unless stated otherwise)		
Bank Deposits	170,000	974,106
Security Deposits	4,632,126	4,242,227
Total	4,802,126	5,216,333
Current (unsecured, considered good unless stated otherwise)		
Bank Deposits	842,713	-
Export and other incentives receivable	64,643	3,162,089
Total	907,356	3,162,089

6. Deferred Tax Asset (Net)

	March 31, 2022	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 fixed assets	10,973,903	11,333,096
	(A)	
	10,973,903	11,333,096
Deferred Tax Asset		
Impact of expenditure charged to the statement of Profit and Loss in the current year but allowed for tax purposes on payment basis	(4,947,722)	(3,511,063)
MAT credit entitlement	(7,480,077)	(30,370,514)
	(B)	
	(12,427,799)	(33,881,577)
Deferred Tax Asset (Net)	(A+B)	
	(1,453,896)	(22,548,482)

7. Other Assets

	March 31, 2022	March 31, 2021
Current (unsecured, considered good unless otherwise stated)		
Advances recoverable in cash or kind	4,171,012	6,668,565
Prepayments	780,187	2,585,301
Balances with Statutory/Government Authorities	12,317,386	1,276,425
Total	17,268,586	10,530,291

8. Inventories

	March 31, 2022	March 31, 2021
(At lower of cost and net realisable value)		
Raw Materials	69,051,144	80,242,212
Work-in-progress	43,799,052	41,674,072
Finished Goods	4,242,451	16,949,438
Stores, spares and packing materials	4,306,702	5,928,301
Total	121,399,349	144,794,023



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Notes to financial statements for the year ended March 31, 2022

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

9. Trade Receivables

March 31, 2022 March 31, 2021

Unsecured

Considered good	88,688,950	66,083,851
Receivable from related parties	89,261,032	66,259,896
	177,949,982	132,343,747

Trade Receivables ageing schedule for the year ended March 31,2022:

Particulars	Not Due	Outstanding from due date of payment			Total
		Less than 6 months	6 months - 1 Year	1- 2 years	
i) Undisputed Trade receivables - considered good	154,745,042	23,204,940	-	-	177,949,982
ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-
iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-
iv) Disputed trade receivables	-	-	-	-	-
Total	154,745,042	23,204,940	-	-	177,949,982

Trade Receivables ageing schedule for the year ended March 31,2021:

Particulars	Not Due	Outstanding from due date of payment			Total
		Less than 6 months	6 months - 1 Year	1- 2 years	
i) Undisputed Trade receivables - considered good	110,140,838	22,202,909	-	-	132,343,747
ii) Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-
iii) Undisputed Trade receivables - credit impaired	-	-	-	-	-
iv) Disputed trade receivables	-	-	-	-	-
Total	110,140,838	22,202,909	-	-	132,343,747

10. Cash and cash equivalents

March 31, 2022 March 31, 2021

Cash and Cash Equivalents

Balances with Banks		
- On Current Accounts	29,422,654	828,214
- Cash on hand	132,888	74,183
Other Bank Balances		
On Deposit Accounts		
- Remaining maturity for more than twelve months	170,000	974,106
	29,725,542	1,876,503
Less : Amount disclosed under Other Assets	170,000	974,106
Total	29,555,542	902,397

Deposits are towards margin money given for bank guarantees.



12. Financial Liabilities

	March 31, 2022	March 31, 2021
Current Maturities of Non Current borrowings		
Other Loans		
Vehicle loans from banks (Secured)	-	185,377
Total	-	185,377
Current borrowings		
Indian Rupee loans from banks (Secured)	-	37,987,269
Current maturities of long term borrowings	-	185,377
Total	-	38,172,646

- (a) Borrowings are NIL in FY 22 (31st March 2021 : Current borrowings are availed in Rupee. Interest on rupee loans at MCLR plus 0.50%. These borrowings are secured by first pari passu charge on the entire current assets of the company, both present & future and are also backed by corporate guarantee from Laurus Labs Limited)
- (b) Vehicle Loans are completely paid off in FY 22 (31st March 2021 : Vehicle loan from bank is repayable in 36 monthly instalments from the date of the loan and secured by hypothecation of the respective vehicle)

13. Trade Payables

	March 31, 2022	March 31, 2021
- Outstanding dues micro enterprises and small enterprises	11,721,796	8,125,245
- Outstanding dues to creditors other than micro enterprises and small enterprises	141,771,038	146,753,366
- Outstanding dues to related parties	10,399,945	15,373,721
Total	163,892,779	170,252,332

Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing

Trade Payables ageing schedule for the year ended March 31, 2022

Particulars	Not due	Outstanding from due date of payment			Total
		Less than 1 Year	1-2 Years	2-3 Years	
i) MSME	11,721,796	-	-	-	11,721,796
ii) Others	92,854,368	59,266,622	-	-	152,120,990
iii) Disputed dues - MSME & Others	-	-	-	-	-
Total	104,576,164	59,266,622	-	-	163,842,786

Trade Payables ageing schedule for the year ended March 31, 2021

Particulars	Not due	Outstanding from due date of payment			Total
		Less than 1 Year	1-2 Years	2-3 Years	
i) MSME	8,125,245	-	-	-	8,125,245
ii) Others	79,022,263	82,965,407	139,417	-	162,127,087
iii) Disputed dues - MSME & Others	-	-	-	-	-
Total	87,147,508	82,965,407	139,417	-	170,252,332

14. Other Financial Liabilities

	March 31, 2022	March 31, 2021
Capital Creditors	3,029,165	3,677,731
Interest accrued *	-	122,723
Total	3,029,165	3,800,454

* Interest accrued but not due is normally settled monthly/quarterly throughout the financial year.

15. Provisions

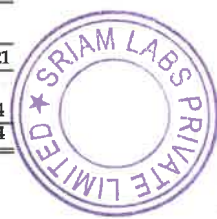
	March 31, 2022	March 31, 2021
A) Long Term Provisions		
Provision for Gratuity	9,942,925	10,064,581
Provision for Compensated absences	4,645,901	5,267,375
Total	14,588,826	15,331,956
B) Short Term Provisions		
Provision for Gratuity	984,117	434,118
Provision for Compensated absences	1,155,338	799,669
Total	2,139,455	1,233,787

16. Income tax assets and liabilities

	March 31, 2022	March 31, 2021
Current tax liabilities		
Provision for taxes	1,626,941	5,617,949
Total	1,626,941	5,617,949
Current tax assets		
Advance tax	-	2,879,965
Total	-	2,879,965

17. Other Current Liabilities

	March 31, 2022	March 31, 2021
Current		
Statutory dues	14,484,351	4,041,824
Total	14,484,351	4,041,824



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

	For the Year ended March 31, 2022	For the Year ended March 31, 2021
18. Revenue from Operations		
Sale of Products		
Income from Sale of API and Intermediates	971,193,454	801,771,051
	(A) <u>971,193,454</u>	<u>801,771,051</u>
Other Operating Revenue		
Sale of Scrap	1,461,100	672,000
Export and other Incentives	920,350	3,177,144
	(B) <u>2,381,450</u>	<u>3,849,144</u>
Revenue from Operations	(A+B) <u>973,574,904</u>	<u>805,620,195</u>
19. Cost of Materials Consumed		
	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Raw Materials Consumed		
Opening stock at the beginning of the year	80,242,212	46,476,339
Add : Purchases	504,563,344	448,264,889
	<u>584,805,556</u>	<u>494,741,228</u>
Less : Closing stock at the end of the year	69,051,144	80,242,212
	<u>515,754,412</u>	<u>414,499,016</u>
20. Decrease / (Increase) in Inventories of Finished Goods and Work-in-Progress		
	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Opening stock of inventories		
Finished goods of API and Intermediates	16,949,438	19,993,067
Work-in-Progress of API and Intermediates	41,674,072	21,205,973
	<u>58,623,510</u>	<u>41,199,040</u>
Closing stock of inventories		
Finished goods of API and Intermediates	4,242,451	16,949,438
Work-in-Progress of API and Intermediates	43,799,052	41,674,072
	<u>48,041,503</u>	<u>58,623,510</u>
Decrease / (Increase) in inventories	<u>10,582,007</u>	<u>(17,424,470)</u>
Decrease / (Increase) in Finished goods of API and Intermediates	12,706,987	3,043,629
Decrease / (Increase) in Work-in-Progress of API and Intermediates	(2,124,980)	(20,468,099)
Decrease / (Increase) in inventories of finished goods and work-in-progress	<u>10,582,007</u>	<u>(17,424,470)</u>
21. Employee Benefits Expenses		
	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Salaries, allowances and wages	51,438,638	50,264,378
Contribution to provident fund and other funds	2,292,783	2,171,599
Gratuity expense	2,118,869	1,861,947
Staff welfare expenses	7,174,387	7,404,168
Total	<u>63,024,677</u>	<u>61,702,092</u>



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Notes to financial statements for the year ended March 31, 2022

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

22. Other expenses

	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Consumption of stores & spares	15,176,991	12,484,107
Conversion charges	27,981,342	25,305,463
Factory maintenance	40,781,545	44,628,706
Effluent treatment expenses	4,538,875	6,405,164
Power and Fuel	60,632,536	48,493,303
Repairs & maintenance		
Plant and machinery	8,515,843	8,903,461
Buildings	179,950	363,926
Others	915,206	266,941
Testing & Analysis charges	827,251	175,400
Rates and taxes	2,209,821	1,289,148
Insurance	3,194,674	3,744,409
Printing and stationery	1,107,661	948,402
Consultancy and other professional charges	3,734,008	2,749,715
Membership and subscription	133,220	55,170
Remuneration to auditors		
-Audit Fee	200,000	150,000
-Tax audit fee	50,000	50,004
Travelling and conveyance	406,910	514,282
Communication expenses	108,709	408,644
Net Loss on Foreign Exchange Fluctuations	2,064,279	581,599
Carriage outwards	2,775,075	3,591,266
Commission on sales	2,998,338	3,899,407
Other selling expenses	-	450,000
CSR expenditure	1,698,400	910,000
Miscellaneous expenses	25,840	17,131
Total	180,256,474	166,385,648

23A. Finance Income

	For the Year ended March 31, 2022	For the year ended March 31, 2021
Interest Income on		
Deposits and margin money held	383,549	33,480
Intercorporate loan	260,823	-
Electricity deposits and others	159,394	179,184
Total	803,766	212,664

23B. Finance Costs

	For the Year ended March 31, 2022	For the year ended March 31, 2021
Interest		
- on working capital loans	574,196	8,375,966
- on others	735,590	247,720
Bank charges	742,796	1,319,782
Total	2,052,582	9,943,468



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Notes to financial statements for the year ended March 31, 2022
(All amounts in Rupees except for share data or as otherwise stated)

24. **Components of Other Comprehensive Income (OCI)**

	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Retained earnings:		
Re-measurement gains / (losses) on employee defined benefit plans	1,690,528	(1,774,626)
Deferred Tax Charge/ (Credit)	(492,282)	516,771
Total	1,198,246	(1,257,855)

25. **Earnings per share (EPS)**

	For the Year ended March 31, 2022	For the Year ended March 31, 2021
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Profit after tax	126,900,960	103,472,015
Less: Preference dividend and tax thereon	-	-
Profit available for equity shareholders	126,900,960	103,472,015
Weighted average number of equity shares in calculating basic earnings per share	14,203,363	14,203,363
Add: Effect of dilution	-	-
Weighted Average number of Equity Shares in computing diluted earnings per share	14,203,363	14,203,363
Face value of each equity share (Rs.)	10	10
Earnings per share		
- Basic (Rs.)	8.93	7.29
- Diluted (Rs.)	8.93	7.29



Sriam Labs Private Limited
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Notes to financial statements for the year ended March 31, 2022
 (All amounts in Rupees except for share data or as otherwise stated)

26. Related party disclosures

Names of related parties and description of relationship

Name of the related party	Relationship	March 31, 2022	March 31, 2021
Group Companies			
i) Laurus Labs Limited	Holding Company		
ii) Laurus Synthesis Private Limited	Group Subsidiary		
Key Management Personnel			
i) Mr. S Srinivasa Rao	Director		
ii) Dr. C V Lakshmana Rao	Director		
iii) Mr. C Krishna Chaitanya	Director		
iv) Dr. V Umamaheswara Rao	Director		

Transactions during the year:

	March 31, 2022	March 31, 2021
Holding Company		
Laurus Labs Limited		
Conversion Income	24,019,463	94,785,885
Sale of goods	597,303,536	423,942,831
Purchase of goods	88,415,924	62,249,436
Group Subsidiary		
Laurus Synthesis Private Limited		
Purchase of Assets	-	559,761
Loan Given	75,000,000	-
Interest Income	260,823	-
MEIS Sales	617,001	-
Closing Balances - Debit/ (Credit)		

	March 31, 2022	March 31, 2021
Holding Company		
Trade receivables	89,261,032	66,259,896
Trade Payables	10,399,945	15,373,721
Laurus Synthesis Private Limited		
Loan Given	75,000,000	-



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Notes to financial statements for the year ended March 31, 2022

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

27. 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.

	March 31, 2022	March 31, 2021
Borrowings including interest accrued on borrowings (Note 13)	-	38,295,369
Less: Cash and short-term deposits (Note 10)	(29,555,542)	(902,397)
Net debt	(29,555,542)	37,392,972
Equity	142,033,630	142,033,630
Other Equity	239,141,816	111,042,608
Total Equity	381,175,446	253,076,238
Gearing ratio (Net Debt/ Total Equity)	-	0.15

28. Ratios

The following are analytical ratios for the year ended March 31, 2022 and March 31, 2021

Particulars	Numerator	Denominator	March 31, 2022	March 31, 2021	Variance *
Current Ratio	Current Assets	Current Liabilities	1.87	1.32	42.0%
Debt-Equity Ratio	Total Debt (1)	Shareholder's Equity	-	0.15	-100.0%
Debt Service Coverage Ratio	Earnings available for debt service (2)	Debt service (3)	74.91	13.91	438.6%
Return on Equity (ROE)	Net profit after taxes	Average Shareholder's Equity	0.40	0.51	-21.9%
Inventory Turnover Ratio	Revenue from Operations	Average Inventory	7.31	6.78	7.9%
Trade Receivables Turnover Ratio	Revenue from Operations	Average Receivables	6.28	6.46	-2.8%
Trade Payables Turnover Ratio	Purchases	Average Trade Payables	3.02	2.85	6.1%
Net Capital Turnover Ratio	Revenue from Operations	Working Capital (4)	6.01	11.27	-46.6%
Net Profit Ratio	Net Profit	Revenue from Operations	13%	13%	1.5%
Return on Capital Employed (ROCE)	Earnings Before Interest and Taxes (EBIT)	Capital Employed (5)	0.48	0.58	-17.5%
Return on Investment	Income generated from investments	Investment	N.A	N.A	N.A

(1) Long Term borrowings + Short Term borrowings + interest accrued

(2) Net profit after tax + Non-operating cash exp like depreciation + Interest + Other adjustments like loss on sale of fixed assets etc.

(3) Interest + Principal repayments

(4) Current assets - current liabilities

(5) Tangible networth + total debt including interest accrued + deferred tax liability - deferred tax assets

* Variance of more than +/-25% is due to debt being zero in FY22

Figures of the previous year have been rearranged wherever necessary to them comparable with the current year's classification.
As per our report of even date

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

C V Koteswara Rao
Partner
Membership No. 028353



UDIN : 22028353AHOICM6134

Place: Hyderabad
Date: April 21, 2022

For and on behalf of the Board of Directors
Sriam Labs Private Limited

Dr. C V Lakshmana Rao
Director

G Venkateswar Reddy
Company Secretary

Place: Hyderabad
Date: April 21, 2022

Dr. V Umamaheswara Rao
Director

