ASHOK KUMAR MALHOTRA & ASSOCIATES
Chartered Accountants

To the Members of

DHANUKA LABORATORIES LIMITED

Report on the standalone Financial Statements

Opinion

We have audited the accompanying Standalone financial statements of **DHANUKA LABORATORIES LIMITED (*"the Company"*)** which comprises the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss 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 standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit/loss for the year ended on that date.

Basis for Opinion

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

Responsibility of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate **internal financial controls,** that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

C-63, Sector-39, Noida (U.P.) - 201 301
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E-mail: caashokkumar.malhotra@gmail.com

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.

Report on Other Legal and Regulatory Requirements

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

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure "A"** statement on the matters Specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of written representations received from the directors as on 31 March, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2019, 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"** and

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

Ashok Kumar Malhotra Chartered Accountants & Associates

i. The Company does not have any pending litigations which would impact its financial position.

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

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

For ASHOK KUMAR MALHOTRA & ASSOCIATES
Chartered Accountants
Firm Registration No.: 014498C

Ashok Kumar Malhotra
Proprietor
Membership No.: 082258

Place: Noida
Dated: 5th September, 2019
UDIN : 19082258AAAABA8465

"Annexure A" to the Independent Auditor's Report of even date to the members of "DHANUKA LABORATORIES LIMITED" on the financial statements for the year ended 31 March 2019.

Annexure A

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

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

(b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.

(c) We have inspected the original title deeds of the immovable properties of the company held as fixed assets which are in the custody of the company and obtained confirmation from the bank for those, which has been mortgaged with bank. Based on our audit procedure and the information and explanations given to us, the title deeds of immovable properties, as disclosed in the financial statements, are held in the name of the Company.

(ii) (a) As explained to us, the inventories of finished goods, stores, spare parts and raw materials were physically verified at regular intervals by the Management. In case of inventories lying with third parties, certificates of stocks holding have been received.

(b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification of stock as compared to book records.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion and according to the information and explanation given to us, the Company has not entered into any transaction covered under Sections 185 and 186

Ashok Kumar Malhotra & Associates Chartered Accountants Noida

of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.

(v) In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts have been made and maintained. We have not however, made a detailed examination of such accounts and records.

(vii) (a) According to the information and explanation given to us no undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise duty, value added tax, have generally been regularly deposited to the appropriate authorities.

(b)There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute except the following

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	1.59 Lac	A.Y. 2009-10	The Income Tax Appellate Tribunal, New Delhi
Income Tax Act, 1961	Income Tax	22.96 Lac	A.Y. 2010-11	The Income Tax Appellate Tribunal, New Delhi
Income Tax Act, 1961	Income Tax	22.14 Lac	A.Y. 2011-12	The Commissioner of Income Tax (Appeals) XIII, New Delhi
Income Tax Act, 1961	Income Tax	10.62 Lac	A.Y. 2012-13	The Commissioner of Income Tax (Appeals) XIII, New Delhi
Customs Act, 1962	Custom Duty	14.64 Lac	F.Y. 2014-15	The Customs Excise and Service Tax Appellate Tribunal, Additional Zonal Branch, Ahemdabad.

(viii) Based on our audit procedure and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of loans or borrowings to a financial institution, bank government or dues to debenture holders.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and term loans taken have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with Section 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards, further provisions of Section 177 are not applicable to the company.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act during the year.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For ASHOK KUMAR MALHOTRA & ASSOCIATES
Chartered Accountants
Firm Registration No.: 014498C

Ashok Kumar Malhotra
Proprietor
Membership No.: 082258

Place: Noida
Dated: 5th September, 2019
UDIN 19082258AAAABA8465

Annexure "B" to the Auditors' Report

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

We have audited the internal financial controls over financial reporting **DHANUKA LABORATORIES LIMITED** ("the Company") as of **31st March 2019** 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 ('ICAI').

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Ashok Kumar Malhotra & Associates Noida Chartered Accountants

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 31st March 2019, 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 ASHOK KUMAR MALHOTRA & ASSOCIATES
Chartered Accountants
Firm Registration No.: 014498C

Ashok Kumar Malhotra
Proprietor
Membership No.: 082258

Place: Noida
Dated: 5th September, 2019
UDIN 19082258AAAABA8465

Dhanuka Laboratories Limited
Balance Sheet As At March 31, 2019
(All amounts in INR Rupees unless stated otherwise)

Particular	Note No	As at 31 March 2019		As at 31 March 2018	
I. EQUITY AND LIABILITIES					
1. Shareholder's Fund					
(a) Share Capital	2	111,466,000		100,396,000	
(b) Reserves & Surplus	3	1,145,639,093	1,257,105,093	958,256,627	1,058,652,627
2. Non-Current Liabilities					
(a) Long-Term Borrowings	4	910,731,395		872,372,001	
(b) Deferred Tax Liabilities (Net)	5	111,249,942	1,021,981,337	95,759,043	968,131,044
3. Current Liabilities					
(a) Short-Term Borrowings	6	466,106,112		788,926,264	
(b) Trade Payable	7	989,904,464		843,383,928	
(c) Other Current Liabilities	8	108,072,933		63,601,614	
(d) Short-Term Provisions	9	29,422,314	1,593,505,822	19,965,052	1,715,876,858
Total			**3,872,592,252**		**3,742,660,529**
II. ASSETS					
4. Non-Current Assets					
(a) Property Plant & Equipment's					
(i) Tangible Assets	10	1,353,585,875		1,386,343,478	
(ii) Capital Work-in-Progress		-		-	
(b) Non-Current Investment	11	563,387,917		558,717,228	
(b) Other Non-Current Assets	12	-	1,916,973,791	1,677,952	1,946,738,658
5. Current Assets					
(a) Inventories	13	727,825,121		510,203,021	
(b) Trade Receivables	14	889,865,119		874,762,337	
(c) Cash & Cash Equivalents	15	29,611,969		71,256,936	
(d) Short-Terms Loans and Advances	16	227,985,920		267,189,947	
(e) Other Current Assets	17	80,330,332	1,955,618,460	72,509,631	1,795,921,871
Total			**3,872,592,252**		**3,742,660,529**

Notes to Accounts & Significant Accounting Policies
The Note No. 1 to 41 form an integral part of these Financial Statements.

For and on Behalf of the board of directors

Ashok Kumar Malhotra
Proprietor
Membership No. 082258
For and on behalf of
Ashok Kumar Malhotra & Associates
Chartered Accountants
FRN014498C

(Arun Kumar Dhanuka)
Director
DIN- 00627425

(Sunil Gupta)
CFO

(Manish Dhanuka)
Managing Director
DIN- 00238798

(Anushree Bhatt)
Company Secretary

Place: Delhi
Dated: 5th Spetember, 2019
UDIN: 19082258AAAABA8465

Dhanuka Laboratories Limited
Statement Of Profit & Loss For The Year Ended March 31, 2019
(All amounts in INR Rupees unless stated otherwise)

Particular	Note No	For the year ending 31st March 2019	For the year ending 31st March 2018
I. REVENUE			
(a) Revenue from Operations	18	4,086,363,064	3,240,150,822
(b) Other Income	19	140,449,200	29,032,450
Total Revenue		**4,226,812,264**	**3,269,183,272**
II. EXPENSES			
(a) Cost of Materials Consumed	20	3,338,576,995	2,593,638,236
(b) Change in Inventories of Finished goods, Work-in-Progress	21	(155,429,389)	(4,697,001)
(c) Employee Benefit Expenses	22	178,867,192	140,795,246
(d) Financial Costs	23	127,789,431	70,367,437
(e) Depreciation & Amortisation Expense	10	78,821,713	45,882,713
(f) Other Expenses	24	594,241,457	387,705,179
Total Expenses		**4,162,867,399**	**3,233,691,809**
III. Profit before Exceptional Item, Extra ordinary item and Tax		**63,944,865**	**35,491,462**
Less: Exceptional Items		-	-
IV. Profit before Extra ordinary item and Tax		**63,944,865**	**35,491,462**
Less: Extraordinary Items		-	-
V. Profit before Tax		**63,944,865**	**35,491,462**
Less: Tax Expenses:			
(i) Current Tax		14,168,348	6,267,744
(ii) Income Tax for Earlier year		-	(30,950,701)
(iii) Deferred Tax Charge/(Credit)		15,490,899	14,978,535
(iii) MAT Credit Entitlement		(14,168,348)	(6,267,744)
		15,490,899	**(15,972,166)**
VI. Profit for the Period		**48,453,966**	**51,463,628**
Basic Earning Per Share of Rs. 100.00 each (In Rupees)	27	**43.47**	**51.26**
Diluted Earning Per Share of Rs. 100.00 each (In Rupees)	27	**48.13**	**51.26**

Notes to Accounts & Significant Accounting Policies
The Note No. 1 to 41 form an integral part of these Financial Statements.

For and on Behalf of the board of directors

Ashok Kumar Malhotra
Proprietor
Membership No. 082258
For and on behalf of
Ashok Kumar Malhotra & Associates
Chartered Accountants
FRN014498C

(Arun Kumar Dhanuka)
Director
DIN- 00627425

(Manish Dhanuka)
Managing Director
DIN- 00238798

(Sunil Gupta)
CFO

(Anushree Bhatt)
Company Secretary

Place: Delhi
Dated: 5th Spetember, 2019
UDIN: 19082258AAAABA8465

Dhanuka Laboratories Limited
Cash Flow Statement for the year ended 31 March 2019
(All amounts in INR Rupees unless stated otherwise)

PARTICULARS	For the year ended 31-Mar-19	For the year ended 31-Mar-18
Cash flows from operating activities		
Profit/(Loss) before tax	63,944,865	35,491,463
Adjustments for :		
Depreciation	78,821,713	45,882,713
Interest on Income Tax	-	112,375
Profit on Sale of Fixed Assets	-	(23,412)
Interest Income	(130,891)	(194,187)
Share of Loss from Partnership firm & Dividend Income	36,639,379	858,660
Interest Expenses	127,327,543	70,239,884
Changes in operating assets and liabilities:		
Inventories	(217,622,099)	(110,918,786)
Trade Receivable	(15,102,782)	6,053,452
Short term Loans and Advances	48,366,327	(128,639,002)
Other current assets	(7,820,701)	54,956,659
Other Non-Current Assets	1,677,952	350,495
Sundry Creditors	146,520,536	140,059,682
Other Current Liabilities	44,471,319	7,960,945
Short-Term Provisions	1,669,033	(9,325,547)
Cash generated from operation	**308,762,194**	**112,865,395**
Income tax Paid	(1,374,073)	(8,976,612)
Cash from operating activities (A)	**307,388,121**	**103,888,783**
Cash flows from investing activities		
Purchase of Fixed Assets	(48,583,302)	(527,522,311)
Sale of Fixed Assets	2,519,192	45,786
Investment in Partnership Firm	(4,670,689)	(116,571,408)
Interest Received	130,891	194,187
Share of Loss from Partnership firm & Dividend Income	(36,639,379)	(858,660)
Cash from Investing activities (B)	**(87,243,286)**	**(644,712,406)**
Cash flows from financing activities		
Cash proceeds from issuing shares	149,998,500	-
Proceeds from Long-Term Borrowings	38,359,394	74,624,001
Proceeds from Short-Term Borrowings	-	548,347,478
Repayment of Short-Term Borrowings	(322,820,152)	-
Interest Paid	(127,327,543)	(70,239,884)
Cash from financing activities (C)	**(261,789,801)**	**552,731,595**
Net increase in cash and cash equivalents	**(41,644,967)**	**11,907,972**
Cash and cash equivalents at the beginning of the year / period	71,256,936	59,348,964
Cash and cash equivalents at the end of the year / period*	**29,611,969**	**71,256,936**
	-	-

Note:
(a) The above cash flow statement has been prepared in accordance with the 'Indirect Method' as set out in the Accounting Standard (AS -3) on 'Cash Flow Statement', issued by Companies (Accounting Standard) Rules, 2006

(b) Cash and cash equivalents consist of cash in hand and balance with scheduled banks.

Notes to Accounts & Significant Accounting Policies
The Note No. 1 to 41 form an integral part of these Financial Statements.

For and on Behalf of the board of directors

Ashok Kumar Malhotra
Proprietor
Membership No. 082258
For and on behalf of
Ashok Kumar Malhotra & Associates
Chartered Accountants
FRN014498C

(Arun Kumar Dhanuka)
Director
DIN- 00627425

(Sunil Gupta)
CFO

(Manish Dhanuka)
Managing Director
DIN- 00238798

(Anushree Bhatt)
Company Secretary

Place: Delhi
Dated: 5th September, 2019
UDIN: 19082258AAAABA8465

DHANUKA LABORATORIES LIMITED

Notes to the Accounts

Note No. 1

General Information

Dhanuka Laboratories Limited was incorporated on 24th February,1993 as public company for doing business of manufacturing, trading, import and export of "Bulk Drugs" and "Drug Formulations" .

1. **Summary of significant accounting policies**

1.1 Basis of Preparation of Financial Statements

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis. Pursuant to section 133 of the Companies Act, 2013 read with Rule 7(1) of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended and other relevant provisions of the Companies Act, 2013.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III (Division 1) to the Companies Act, 2013. Based on the nature of products/services rendered and the time between acquisition of assets for processing of products/ rendering of services and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current – noncurrent classification of assets and liabilities.

1.2 Inventory

Inventories are valued as follows:

Inventory of Raw material, Work in Progress, finished goods, stores and spares etc. are measured at lower of cost or net realizable value after providing for obsolescence, if any. Cost of inventories comprises cost of purchase and other incidental expenses incurred in bringing them to their respective present location and condition. Cost of material, packing material, spares and other products are determined on weighted average basis.

Inventory of Finished goods are valued at cost inclusive of Excise duty.

1.3 Cash flow statement

Cash flows statement has been prepared under the "Indirect Method" set out in Accounting Standard 3 issued by The Institute of Chartered Accountants of India where by net profit before tax is adjusted for the effects of transaction of a non-cash nature and income or expense associated with investing or financing cash flows. The cash flow from operating, investing and financing activities of the company are segregated

1.4 Revenue Recognition

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

Sale of Goods

Revenue is recognized when significant risks and rewards of ownership of the goods have been passed to the buyer and is stated net of sale return and rebate & discount.

Ashok Kumar Malhotra & Associates Chartered Accountants Noida

Dhanuka Laboratories Limited New Delhi

Service Income

Revenue from export incentive is recognized on an accrual basis in accordance with the terms of the relevant agreement/contract.

1.5 Property, Plant and Equipment's

Tangible/Intangible assets

Tangible Assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises of the purchase price including import duties and non-refundable taxes, and directly attributable expenses incurred to bring the asset to the location and condition necessary for it to be capable of being operated in the manner intended by management.

Subsequent costs related to an item of tangible assets are recognised in the carrying amount of the item if the recognition criteria are met.

Items of any asset that have been retired from active use and are held for disposal are stated at the lower of their net carrying amount and net realisable value. Any write-down in this regard is recognised immediately in the Statement of Profit and Loss.

An item of asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on derecognition is recognised in the Statement of Profit and Loss.

Gains or losses arising from the retirement or disposal of an asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.

Depreciation/Amortisation

i) Depreciation is calculated on straight line method by considering the useful life prescribed in Part C of Schedule II of the Companies Act, 2013.

ii) Leasehold improvements to office facilities are depreciated over the shorter of the lease period or the estimated useful life of the improvement.

iii) The assets' residual values and useful lives are reviewed at each financial year end or whenever there are indicators for impairment, and adjusted prospectively.

iv) 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 depreciation period or method, as appropriate, and are treated as changes in accounting estimates. The depreciation expense on tangible assets is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.Depreciation has been calculated on straight line method and usefull life specified as per schedule II of the Companies Act, 2013.

v) Depreciation on Fixed assets added/disposed during the year is provided on pro-rata basis with reference to date of addition/disposal.

Impairment of Assets

Assessment is done at each balance sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. An asset whose carrying value exceeds its recoverable amount is considered impaired and is written down to its recoverable amount. Assessment is also done at each balance sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods

may no longer exist or may have decreased. An impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

1.6 Foreign Currency Transactions

Transactions in foreign currency are translated at the rates prevailing on the date of transaction. All exchange gains and losses are accounted for in the profit and loss account. Monetary Assets and Liabilities denominated in foreign currency are restated at year-end rates and the resultant gains and losses are accounted for in the exchange fluctuation account.

Foreign currency gains and losses related to fixed assets are adjusted in the cost of respective asset.

1.7 Investment

Long-term investments are stated at cost. A provision for diminution is made to recognize a decline, other than temporary, in the value of long-term investments. Current investments are carried at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investment. Investments in integrated partnership firm are carried at cost net of adjustments for company's share in profit or losses as recognized.

1.8 Employee Benefits

Short Term Employee Benefits

Short term employee benefits are recognized in the year during which the services have been rendered.

Long Term Employee Benefits

i) **Defined Contribution plan:**

Provident Fund scheme:

Some of the employees of the Company are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employee and the employer make monthly contributions to the plan at a predetermined rate (presently 12%) of the employees' basic salary. These contributions are made to the fund administered and managed by the Government of India.

The Company's contributions to this scheme are expensed off in the Profit and Loss Account. The Company has no further obligations under these plans beyond its monthly contributions.

ii) **Defined benefit plan**

Leave Entitlement

The employees are entitled for 30 days leaves during the calendar year, which can be accumulated. Un-availed leaves are either encashable or it can be rolled over for another accounting period, thus company has provided the liability on account of accumulated leaves on accrual basis.

Gratuity

The Company provides for gratuity obligations through a defined benefit retirement plan (the 'Gratuity plan') covering all employees. The Gratuity Plan provides a lump sum payment to vested employees' at retirement or termination of employment based on the respective employees' salary and year of employment with the Company. The Company provides for gratuity at year end based on actuarial valuation using Projected Unit Credit Method in accordance with Accounting Standard 15 (revised), "Employee Benefits".

The company has subscribed to the **"Group Gratuity Scheme"** of Kotak Mahindra life insurance company Limited.

1.9 Borrowing Cost

Borrowing costs that are attributable to acquisition or construction of qualifying assets are capitalized. Other borrowing costs are recognized as an expense in the period in which they are incurred.

1.10 Segment Reporting

The Company has single business segment namely "Bulk Drugs". Therefore, the company's business does not fall under different business segment as defined by Accounting Standard 17 issued by "The Institute of Chartered Accountants of India", hence the same is not applicable in the case of the company. However the segment revenue taking the Geographical Segment as Primary Segment are disclosed as under:

1.11 Leases

The Company's significant lease and rent arrangements are in respect of operating lease for premises. These leasing arrangement is for Nine years tenure and are usually renewable by mutual consent or mutual agreeable terms. The aggregate lease rental payable is charged under the head "Rent" of the financial statements.

1.12 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit after tax. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

1.13 Current and deferred tax

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions.

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Company re-assesses unrecognised deferred tax assets, if any.

1.14 Provisions and Contingents Liabilities

Provisions
Provisions are recognised when there is a present obligation 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 there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent Liabilities
Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past

events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

1.15 Cash and Cash Equivalents

Cash and cash equivalent consist of cash-in-hand, deposit with bank and fixed deposits with banks with remaining maturity of three months or less.

1.16 Research & Development Expenses

Research and development expenses incurred during the year are charged to revenue and the capital expenses are treated in the same way as the expenditure on other fixed assets.

1.17 Export Benefit/ Incentive

Export entitlements under the Duty Entitlement Pass Book (DEPB) Scheme/ Focus Product Scheme/ advance license benefit etc. are recognized in the statement profit and loss when the right to receive credit as per the terms of the scheme is established in respect of export made.

Obligation / Entitlements on account of Advance License Scheme for import of raw materials are accounted for on import of raw material / export sales.

Ashok Kumar Malhotra & Associates Chartered Accountants Noida

Dhanuka Laboratories Ltd. New Delhi

Dhanuka Laboratories Limited
Notes to Financial Statements for the year ended March 31, 2019
(All amounts in INR Rupees unless stated otherwise)

Particular	As at 31 March 2019	As at 31 March 2018
2. SHARE CAPITAL		
Authorized		
14,50,000 Equity Shares of 100.00 each (Previous year 10,50,000 Equity Shares of Rs. 100.00 each)	145,000,000	105,000,000
	145,000,000	**105,000,000**
Issued & Subscribed		
11,14,660 Equity Shares of Rs. 100.00 each (Previous year 10,03,960 Equity Shares of Rs. 100.00 each)	111,466,000	100,396,000
	111,466,000	**100,396,000**
Paid up		
11,14,660 Equity Shares of Rs. 100.00 each (Previous year 10,03,960 Equity Shares of Rs. 100.00 each)	111,466,000	100,396,000
	111,466,000	**100,396,000**

2.1 The Reconciliation of the number of shares outstanding is set out below

Particular	As at 31 March 2019		As at 31 March 2018	
	No. of Shares	Amount	No. of Shares	Amount
Shares Outstanding at the beginning of the year	1,003,960	100,396,000	1,003,960	100,396,000
Add : Shares issued during the year	110,700	11,070,000		
Less : Shares cancelled (Buyback)	-	-	-	-
Shares Outstanding at the end of the year	**1,114,660**	**111,466,000**	**1,003,960**	**100,396,000**

2.2 The Details of Shareholders Holding more than 5% shares in the Capital of Company.

Name of Shareholders	As at 31 March 2019		As at 31 March 2018	
	No. of Shares	%	No. of Shares	%
Sh. Arun Kumar Dhanuka	135,222	12.13%	119,560	11.91%
Smt. Pushpa Dhanuka	57,510	5.16%	57,510	5.73%
Sh. R.G. Agarwal	76,600	6.87%	76,600	7.63%
Sh. M.K. Dhanuka	67,250	6.03%	67,250	6.70%
Smt. Uma Dhanuka	58,500	5.25%	58,500	5.83%
Sh. Manish Dhanuka	203,495	18.26%	187,198	18.65%
Triveni Trust	217,330	19.59%	161,980	16.13%

2.3 Terms / Right attached to Equity Shares

The Company has only one class of Equity Shares having a par value of Rs. 100.00 per share. Each holder of Equity shares is entitled to one vote per share.

Particular	As at 31 March 2018	Additions during the year	Deductions during the year	As at 31 March 2019
3. RESERVE AND SURPLUS				
Surplus as per Statement of Profit and Loss	901,967,675	48,453,966	-	950,421,641
General Reserve	36,783,951	-	-	36,783,951
Capital Redemption Reserve	19,505,000	-	-	19,505,000
Securities Premium	-	138,928,500	-	138,928,500
	958,256,627	**187,382,466**	-	**1,145,639,093**

Notes:	2019		2018	
(1) Profit for the Period		48,453,966		51,463,628
Less: -Dividend on Equity shares	-		-	
-Tax on Distributed Profit on Equity shares	-		-	
-Transfer to General Reserve	-		-	-
		48,453,966		**51,463,628**

Ashok Kumar Malhotra & Associates Chartered Accountants

Dhanuka Laboratories Limited New Delhi

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Particular	As at 31 March 2019	As at 31 March 2018
4. LONG-TERM BORROWINGS		
Secured		
From Banks	294,652,500	430,890,000
From Others	753,209	101,001,001
Unsecured		
Loan From Related Parties	615,325,686	340,481,000
	910,731,395	**872,372,001**

4.1 (a) Loan from Bank includes:
(i) Rs. 29.47 Crores (Previous Year Rs. 43.09 Crores) taken in Foreign currency from HSBC Bank Ltd, Mauritius of Rs. 24.27 Crores and from DBS Bank Singapore of Rs. 5.20 Crores , secured against first charge on pari pasu basis on Land and Building and movable fixed assets of the company, both present and future situated at 7 km Old Manesar Road, Gurgaon, Pot No. SP4-4 Industrial Area, Keshwana and personal guarantee of Directors.

4.1 (b) Loan from Others includes:
(i) Rs 0.04 Crores (Previous Year Rs 0.10 Crores) from Kotak Mahindra Prime Limited (Secured against hypothecation of Vehicles)
(ii) Nil from Bajaj Finance Limited (Previous Year Rs. 10.00 Crores), , secured against second charge on pari pasu basis on Land and Building and movable fixed assets of the company, both present and future situated at 7 km Old Manesar Road, Gurgaon, Pot No. SP4-4 Industrial Area, Keshwana and personal guarantee of Directors.
(iii) Rs 0.04 Crores (Previous Year NIL) from Ford Credit India Private Limited (Secured against hypothecation of Vehicles)

4.2 Maturity Profile of Long Term Borrowings are as set out below :

Particular	1-2 Year	2-3 Year	Beyond 3 Year
Loans from Bank			
External Commercial Borrowings from HSBC Bank Ltd	138,660,000	86,662,500	17,332,500
External Commercial Borrowing DBS Bank Singapore	25,998,750	25,998,750	-
Kotak Mahindra Prime Ltd.	383,789	-	-
Ford Credit India Private Limited	203,983	165,437	-

Particular	As at 31 March 2019	As at 31 March 2018
5. DEFERRED TAX LIABILITY		
Deferred Tax Liabilities		
On Account of Depreciation	136,772,063	98,136,925
Deferred Tax Assets		
Expenses Disallowed u/s 43B of Income Tax Act, 1961	325,088	211,327
Unabsorbed Long Term Capital Loss	-	(2,589,209)
Unabsorbed Depriciation	25,197,033	-
Deferred Tax Liabilities(Net)	**111,249,942**	**95,759,043**

Particular	As at 31 March 2019	As at 31 March 2018
6. SHORT-TERM BORROWINGS		
Secured		
From Banks	465,302,394	788,357,040
From NBFC	803,718	569,224
	466,106,112	**788,926,264**

6.1 Loan from Bank includes:
(i) Rs. 19.47 Crore (Previous Year Rs. 53.45 crore) Working Capital Limit from HDFC Bank, Indusind Bank, DBS Bank, HSBC Bank Limited and Yes Bank. (Secured against Second charge on Land, Building, Plant & Machine, Other Fixed Assets and personal guarantee of Directors,. Hypothecation of Raw Material, Work-in-Progress, Finished Goods, Packing Material, Stores & Spares, Book Debt of Company.
(ii) Rs. 16.47 Crore (Previous Year Rs. 13.82 Crore) taken in Foreign currency from HSBC Bank Ltd, Mauritius secured against first charge on pari pasu basis and DBS Bank Singapore, on Land and Building and movable fixed assets of the company, both present and future situated at 7 km Old Manesar Road, Gurgaon, Plot No. SP4-4 , Industrial Area, Keshwana and personal guarantee of Directors.
(iii) Rs. 10.59 crore (Previous Year Rs. 11.57 crore) Buyer's Credit taken as non fund based limit

6.2 Loan from NBFC includes:
(i) Rs. 0.06 crore (Previous Year Rs. 0.06 crore) from Kotak Mahindra Prime Limited, (Secured against hypothecation of Vehicles).
(ii) Rs. 0.02 crore (previous year NIL) from Ford Credit India Private Limited (Secured against hypothecation of Vehicles)

Particular	As at 31 March 2019	As at 31 March 2018
7. TRADE PAYABLE		
Sundry Creditors (Refer to Note 32)	989,904,464	843,383,928
	989,904,464	**843,383,928**

Particular	As at 31 March 2019	As at 31 March 2018
8. OTHER CURRENT LIABILITIES		
Expenses Payable	44,564,593	28,184,606
Interest Accrued & Due	17,150,930	14,563,202
Statutory Dues Payable	5,171,320	5,051,677
Salary & Wages Payable	16,979,235	15,074,412
Advance from Customers	24,206,854	727,717
	108,072,933	**63,601,614**

Particular	As at 31 March 2019	As at 31 March 2018
9. SHORT-TERM PROVISIONS		
Income Tax	14,168,348	6,380,119
Employee Benefits	15,253,966	13,584,933
	29,422,314	**19,965,052**

Particular	Face Value	As at 31 March 2019	As at 31 March 2018
11. NON-CURRENT INVESTMENTS			
Non-Trade, Unquoted, Valued at cost			
Equity Shares of Saraswat Co-operative Bank 50 shares (Previous year 50 shares)	10	500	500
Investment in Joint Venture			
Equity Shares of Otsuka Chemical (India) Private Limited, (a joint venture company with Otsuka Chemical Company Ltd. Japan, in which 3.01% i.e. 12,47,036 shares (Previous year 5.30% i.e. 22,00,561 shares) equity shares is held by the company)	10	92,638,524	140,582,849
Investment in Partnership Firms			
Synmedic Laboratories (98%)		465,495,311	411,003,916
IKO Overseas (98%)		5,253,582	7,129,963
		563,387,917	**558,717,228**

Particular	As at 31 March 2019	As at 31 March 2018
12. OTHER NON-CURRENT ASSETS		
Other Cash Balances		
Term deposits having remaining maturity of more one year	-	1,677,952
	-	**1,677,952**

Ashok Kumar Mehrotra & Associates Chartered Accountants

Dhanuka Laboratories Pvt. Ltd.

Dhanuka

Anushree Bhatt

Dhanuka Laboratories Limited
Notes to Financial Statements for the year ended March 31, 2019
(All amounts in INR Rupees unless stated otherwise)

10. Property Plant & Equipment's

	GROSS BLOCK				DEPRECIATION				NET BLOCK	
Particulars	Cost As On 01.04.18	Additional During The Year	Sales/ Transfer During The Year	Total Cost As On 31.03.19	Upto 01.04.18	Written Off During The Year	Written Back	Total Up To 31.03.19	As On 31.03.19	As On 31.03.18
Land										
Freehold	61,364,172	-	-	61,364,172	-	-	-	-	61,364,172	61,364,172
Building	331,106,386	12,648,338	-	343,754,724	29,462,816	11,093,910	-	40,556,725.75	303,197,999	301,643,570
Building Keshwana	23,738,476	-	-	23,738,476	229,521	792,865	-	1,022,385.81	22,716,090	23,508,955
Steel Structure	210,330	-	-	210,330	135,817	7,025	-	142,842.11	67,488	74,513
Plant & Machinery	-	-	-		-	-	-			
Plant & Machinery	950,043,433	28,462,039	3,262,102	975,243,370	204,889,610	45,133,857	742,910	249,280,556.79	725,962,813	745,153,823
Plant & Machinery Keshwana	43,128,440	-	-	43,128,440	593,054	2,048,601	-	2,641,654.96	40,486,785	42,535,386
Laboratories Equipment	45,842,735	1,386,523	-	47,229,258	12,027,713	4,171,336	-	16,199,048.87	31,030,209	33,815,022
Laboratories Equipment Keshwana	2,546,215	-	-	2,546,215	70,097	241,890	-	311,987.25	2,234,227	2,476,118
Plant & Machinery (Energy Saving)	28,727,284	-	-	28,727,284	4,771,748	1,364,546	-	6,136,294.24	22,590,989	23,955,535
Electrical Equipment	59,495,421	2,373,171	-	61,868,592	9,727,834	4,978,994	-	14,706,828.87	47,161,763	49,767,587
Electrical Equipment Keshwana	4,652,512	-	-	4,652,512	127,940	441,989	-	569,929.13	4,082,583	4,524,572
Plant & Machinery ETP	77,915,974	1,715,131	-	79,631,104	8,283,260	3,701,009	-	11,984,269.14	67,646,835	69,632,713
Plant & Machinery ETP Keshwana	3,781,530	-	-	3,781,530	51,995	179,623	-	231,617.23	3,549,913	3,729,535
Office Equipment	4,682,275	325,465	-	5,007,740	1,692,782	690,088	-	2,382,869.95	2,624,870	2,989,493
Cellular Phone	34,970	-	-	34,970	33,222	-	-	33,221.50	1,749	1,749
Fire Fighting	541,998	-	-	541,998	317,076	68,818	-	385,893.42	156,105	224,923
Air Conditioner	510,849	22,300	-	533,149	251,647	62,494	-	314,140.70	219,008	259,203
Furniture & Fixture	12,000,462	230,772	-	12,231,234	2,906,751	1,049,963	-	3,956,714.46	8,274,520	9,093,711
Vehicle	-	-	-	-	-	-	-	-	-	-
Commercial Vehicle	1,635,271	-	-	1,635,271	642,366	194,188	-	836,554.71	798,716	992,905
Vehicle	11,537,813	818,615	-	12,356,428	4,345,708	1,402,532	-	5,748,240.10	6,608,188	7,192,105
Computer	10,894,669	600,948	-	11,495,616	7,486,780	1,197,984	-	8,684,763.90	2,810,853	3,407,889
TOTAL	**1,674,391,214**	**48,583,302**	**3,262,102**	**1,719,712,414**	**288,047,736**	**78,821,713**	**742,910**	**366,126,539**	**1,353,585,875**	**1,386,343,478**
Previous Year	**715,753,224**	**959,089,100**	**451,110**	**1,674,391,214**	**242,593,759**	**45,882,713**	**428,736**	**288,047,736.24**	**1,386,343,478**	**473,159,465**

Ashok Kumar Malhotra & Associates Chartered Accountants

Dhanuka Laboratories Limited New Delhi

S.K. Sahu

Anushree Bhatt

Particular	As at 31 March 2019	As at 31 March 2018
13. INVENTORIES		
(As taken and physically verified by the management)		
Valued at Lower of Cost or Net Realizable Value		
Raw Materials	361,550,828	302,062,738
Stores, Spares, & Consumables	8,076,845	5,372,225
Work in Process	358,197,448	202,768,059
	727,825,121	**510,203,021**

Particular	As at 31 March 2019	As at 31 March 2018
14. TRADE RECEIVABLE		
Unsecured, Unconfirmed but considered good		
Outstanding for a period exceeding six months	569,009	693,356
Other Debts	889,296,110	874,068,981
	889,865,119	**874,762,337**

Particular	As at 31 March 2019	As at 31 March 2018
15. CASH AND CASH EQUIVALENTS		
Cash In Hand	298,998	412,164
Balance With Banks		
In Current Accounts	23,541,569	31,263,498
In EEFC Accounts	3,918,293	39,456,551
In Term deposits, remaining maturity of three months or less	1,707,223	-
Other Bank Balance		
Term deposits having remaining maturity of more than three months but not more than one year	145,886	124,723
	29,611,969	**71,256,936**

Particular	As at 31 March 2019	As at 31 March 2018
16. SHORT TERM-LOANS ADVANCES		
(Unsecured and Considered good)		
Balances with Government authorities (GST)	180,623,558	236,304,772
Advance Payment of Income Tax/Wealth Tax (including TDS)	13,089	5,019,136
MAT Credit Entitlement	24,445,315	10,276,937
Security Deposits	22,903,958	15,589,072
	227,985,920	**267,189,947**

Particular	As at 31 March 2019	As at 31 March 2018
17. OTHER CURRENT ASSETS		
Interest Accrued but not Due on Deposit	22,528	22,286
Advance Payment to Supplier	37,405,108	37,636,950
Others Current Assets	42,902,695	34,800,394
	80,330,332	**72,509,631**

Dhanuka Laboratories Ltd. New Delhi

Ashok Kumar Mehra & Associates Chartered Accountants

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Dhanuka Laboratories Limited
Notes to Financial Statements for the year ended March 31, 2019
(All amounts in INR Rupees unless stated otherwise)

Particular	For the year ending 31st March 2019	For the year ending 31st March 2018
18. REVENUE FROM OPERATIONS		
Sales of Product		
Domestic	1,957,157,620	2,050,000,386
Exports	2,129,205,444	1,263,472,110
	4,086,363,064	**3,313,472,495**
Less: Excise Duty	-	73,321,673
Net Sales	**4,086,363,064**	**3,240,150,822**

Particular	For the year ending 31st March 2019	For the year ending 31st March 2018
19. OTHER INCOME		
Interest Received	130,891	194,187
Dividend Received	4,731,206	5,721,459
Profit on sale of Mutual Fund & Shares	105,134,134	-
Miscellaneous Income	21,710	1,336,081
Profit on sale of Fixed assets	-	23,412
Exchange Rate Variation	30,427,101	21,757,249
Short & Excess	4,158	62
	140,449,200	**29,032,450**

Particular	For the year ending 31st March 2019	For the year ending 31st March 2018
20. COST OF MATERIAL CONSUMED		
Stock at the commencement of the year	302,062,738	196,714,943
Add:- Purchase during the year	3,398,065,085	2,698,986,029
	3,700,127,823	2,895,700,973
Less: Stock at the end of the year	361,550,828	302,062,738
	3,338,576,995	**2,593,638,235**

Particular	For the year ending 31st March 2019	For the year ending 31st March 2018
21. CHANGE IN INVENTORIES OF FINISHED GOODS & WORK- IN-PROCESS		
Stock at the End of the year		
Stock-in-process	358,197,448	202,768,059
Finished Goods	-	-
	358,197,448	**202,768,059**
Stock at the Commencement of the year		
Stock-in-process	202,768,059	198,071,058
Finished Goods	-	-
	202,768,059	**198,071,058**
	(155,429,389)	**(4,697,001)**

Particular	For the year ending 31st March 2019	For the year ending 31st March 2018
22. EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages, & Bonus	160,454,241	122,147,483
Contribution to Provident & Other Fund	10,139,357	8,999,436
Director Remunerations	5,116,800	5,116,800
Staff Welfare Expenses	3,156,794	4,531,527
	178,867,192	**140,795,246**

Dhanuka Laboratories Ltd. New Delhi

Kumar Mathotra & Associates Chartered Accountants Noida

Particular	For the year ending 31st March 2019	For the year ending 31st March 2018
23. FINANCE COST		
Interest on Fixed Period Loan	68,482,855	40,186,551
Interest on Working Capital	56,973,896	28,059,778
Bank Charges & Other Financial Charges	1,870,791	1,993,555
Interest on Statutory Dues	461,888	127,553
	127,789,431	**70,367,437**

Particular	For the year ending 31st March 2019	For the year ending 31st March 2018
24. OTHER EXPENSES		
Manufacturing Expenses		
Electricity Water Charges	158,502,560	121,933,193
Repair & Maintenance:		
Building	1,513,972	1,360,635
Plant & Machinery	42,182,857	34,115,048
Freight & Cartage	2,317,551	3,153,966
Job Work Charges	12,114,081	11,027,500
Laboratory Expense	8,077,669	9,058,968
Packing Charges	13,511,164	11,845,877
Power & Fuel	149,117,128	75,933,512
Research & Development Expenses	2,150,833	1,896,972
Stores & Spares Consumed	13,441,969	9,145,683
Administration Expenses		
Auditor's Remuneration	375,000	375,000
Balances Written off	-	66,306
Business Promotion	8,134,874	4,616,313
Commission on Sales	80,984,713	50,542,123
Conveyance	11,479,073	7,279,259
Corporate Social Responsibility Expenses	897,400	1,004,110
Diwali Expenses	1,812,933	1,520,111
Donation	329,400	117,000
ERP Expenses	1,030,601	1,962,000
Freight Outward	5,039,900	1,902,437
GST Expenses	97,955	3,200
Insurances	2,316,666	1,458,803
Loss on Account of Cyber Fraud	-	2,534,000
Legal & Professional Charges	5,115,363	3,474,613
Membership & Subscription Fee	105,500	89,089
Miscellaneous Expenses	369,822	366,685
Newspaper, Books & Periodicals	44,042	31,300
Office Expenses	11,392	25,379
Postage, Telephone & Telegram	3,710,505	2,864,036
Printing & Stationery	2,080,374	3,110,272
Rate Difference and Discount	8,594,001	4,830,000
Rates & Taxes	2,140,591	484,165
Rent	14,937,840	13,835,927
Sales Tax Expenses	-	1,240,338
Share of Loss from Partnership Firm	36,639,379	858,660
Transportation Charges	839,219	183,159
Travelling Expenses	939,921	597,849
Vehicle Repair & Maintenance	3,285,210	2,861,690
	594,241,457	**387,705,179**

Particular	For the year ending 31st March 2019	For the year ending 31st March 2018
25. CAPITAL COMMITMENTS		
Estimated Amount of Contracts Remaining to be Executed on Capital Account and not Provided for Net of Advances	157,778	324,220

Particular	For the year ending 31st March 2019	For the year ending 31st March 2018
26. CONTINGENT LIABILITIES		
Income Tax Demand Pending in Appeal	4,164,076	4,164,076
C Form Liability	18,985,126	18,985,126
Demand under Customs at Kandla	1,464,354	1,464,354

Particular		For the year ending 31st March 2019	For the year ending 31st March 2018
27. EARNING PER SHARE (EPS)			
I. Net Profit as per Profit and Loss Account Available for Equity Shareholders	**Amount in Rupees**	**48,453,966**	**51,463,628**
II. Weighted Averages Number of Equity shares for Earning per Share Computation			
A) For Earning per shares of Rs. 100.00 each	**Nos.**	**1,114,660**	**1,003,960**
B) For Diluted Earning per shares of Rs. 100.00 each			
No. of shares for Basic EPS as per II A	**Nos.**	1,114,660	1,003,960
Add: Weighted Average outstanding Option/shares Related to FCCB	**Nos.**	-	-
No. of shares for Diluted Earning per shares of Rs. 100.00 each	**Nos.**	**1,006,690**	**1,003,960**
III. Earning per share (Face value of Rs. 100.00 each)			
Basic	**Rupees**	43.47	51.26
Diluted	**Rupees**	48.13	51.26

28. SEGMENT REPORTING

The Company has single business segment namely "Bulk Drugs " . Therefore, the company's business does not fall under different business segment as defined by Accounting Standard 17 issued by "The Institute of Chartered Accountants of India", hence the same is not applicable in the case of the company. However the segment revenue taking the Geographical Segment as Primary Segment are disclosed as under:

Particular	For the year ending 31st March 2019	For the year ending 31st March 2018
Segment Revenue - Turnover		
Within India	1,957,157,620	2,050,000,386
Outside India	2,129,205,444	1,263,472,110
	4,086,363,064	**3,313,472,495**

29. Balances of current liabilities, sundry debtors and loans & advances are subject to confirmation and reconciliation from various parties.

30. In the opinion of management, the current assets and loans and advances are of the value stated. The provision for all liabilities are adequate and not in short/excess of the amount reasonably necessary.

31. Previous years' figures are restated/ regrouped/ rearranged wherever necessary in order to confirm current years' groupings and classifications.

32. The Company has certain dues to suppliers (trade and capital) registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

Particular	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	949,116	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	437,241	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Further interest remaining due and payable for earlier years	-	-

33. All the figures have been shown to the nearest rupee.

34. The company has set up power generating unit which generate power in the form of steam. As per provisions of section 80IA of the Income Tax Act, 1961 and opinion taken from tax advocate, the company has claimed deduction thereon.

35. In accordance with the requirements of Accounting Standard (AS) -18 'Related Party Disclosures', the names of the related parties where control exists/able to exercise significant influence along with the aggregate transactions/year end balances with them as identified and certified by the management are given below:

A. Name of related parties and nature of relationship

(i) Key Management Personnel:

Name	Relationship
Mr. Manish Dhanuka	Managing Director
Mr. Arjun Dhanuka	Director

(ii) Relatives of Mr. Manish Dhanuka:

Name	Relationship
Mrs. Seema Dhanuka	Wife, of Manish Dhanuka
Mr. Arun Kr. Dhanuka	Brother, of Manish Dhanuka
Mr. Arun Kr. Dhanuka	Father, of Arjun Dhanuka

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Dhanuka Laboratories New Delhi

Anurag Bhatt

S.K. Sah

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Notes to Financial Statements for the year ended March 31, 2019
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(iii) Enterprises over which significant influence exist:

Name	Relationship
Dhanuka Agritech Limited	Enterprises over which KMP and their relatives have significant influence:
Otsuka Chemical (India) Private Limited	Joint Venture
Synmedic Laboratories (98%)	Partnership Firm
IKO Overseas (98%)	Partnership Firm

B. Transactions with related parties on arm's length basis:

Nature of Transaction	Key Management personnel & relatives.		Enterprises over which significant influence exist.	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Unsecured Loan Taken	86,300,000	57,400,000	270,000,000	-
Unsecured Loan Repaid	81,455,314			
Interest Paid	30,832,651	28,778,386	370,000	-
Managerial Remuneration	5,116,800	5,116,800	-	-
Rent Paid	-	-	56,640	-
Purchase of Material	-	-	571,936,359	587,602,015
Purchase of Capital Assets	-	-	777,244	-
Sale of Capital Assets	-	-	-	-
Sale of Material	-	-	7,806,325	214,208,548
Dividend Received	-	-	-	5,721,459
Balance outstanding at the end of the year				
- Sundry Debtors	-	-	15,000	-
- Sundry Creditors	-	-	397,290,484	147,372,647
- Unsecured Loans	295,325,686	290,481,000	-	-
- Interest accrued on Loans	57,400,000	12,417,997	-	-

36. The company has successfully bided for acquisition of Orchid Pharma Limited under the provisions of Insolvency & Bankruptcy Code, 2016 for a consideration of Rs. 570 Crores vide order dated 27th June, 2019. The company has furnished a bank guarantee of Rs. 50 Crores on 18th June, 2019. However The National Company Law Tribunal has stayed the entire proceedings of acquisition of Orchid Pharma Limited vide its order dated 28th August, 2019 and reserved the final order till the date of signing of financial statements.

37. Auditors Remuneration includes fees in respect of :

Particular	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Audit Fees:		
- Statutory Audit	195,000	195,000
- Tax Audit Fees	91,000	91,000
- Income Tax Matters	89,000	89,000
TOTAL	**375,000**	**375,000**
*Excluding Goods and Services Tax		

38. Disclosure as required by Accounting Standard-16 "Borrowing Cost" issued by the Institute of Chartered Accountants of India are given below:

Particular	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Amount of Borrowing Cost Capitalized in the value of assets(Net of earning from temporary investment)	-	19,907,903

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Dhanuka

S.K. Singh

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39. Disclosure on expenditure incurred on Corporate Social Responsibility Activities are given below:

Particular	For the year ended 31st March, 2019	For the year ended 31st March, 2018
(a) Gross amount required to be spent by the company during they ear	3,114,118	3,187,848
(b) Amount spent during the year on (in cash):		
(i) Donations for sanitation of water and women education	-	177,000
(ii) Donation to The Akshya Patra Foundation for eradicating hungers	-	-
(iii) Donation and contributions for promoting health care including preventive health care for poor.	786,400	127,110
(iv) Donation to The Prime Minister Relief Fund	-	500,000
(iv) Donation for sports education	51,000	200,000
(v) Donation for Flood Relief in Kerala	60,000	-
Total	**897,400**	**1,004,110**

40. **Leases**

The Company has operating lease arrangements for premises. These are non-cancellable leases and can be extended on mutually agreed terms. There are no restrictions imposed by lease agreements. There are no subleases.

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Rent paid during the year	14,725,200	13,473,524

Future minimum rental charges payable under non-cancellable operating leases are as follows:

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Within one year	8,399,550	14,725,200
After one year but not more than five years	13,219,250	21,618,800
More than five years	-	-

41. Additional information pursuant to provisions of paragraph 3, 4C & 4D of the part II of schedule VI to the companies Act, 1956 as under:

i) **Value of Raw Material and Stores (including components & spare parts consumed)**

Particular	For the year ended 31st March, 2019		For the year ended 31st March, 2018	
	Rs.	**%**	**Rs.**	**%**
Imported	1,797,469,524	53.84%	1,117,940,110	43.10%
Indigenous	1,541,107,471	46.16%	1,475,698,124	56.90%
	3,338,576,995	**100%**	**2,593,638,234**	**100%**

ii) **Value of Imports on C.I.F. Basis**

Particular	For the year ended 31st March, 2019	For the year ended 31st March, 2018
(i) Raw material	1,782,904,118	1,114,767,351
(ii) Components	-	-
(iii) Capital Goods	-	21,691,027
(iv) Interest paid for Fixed Assets	-	19,732,903

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Dhanuka Laboratories Ltd. New Delhi

Dhanuka

Anushree Bhatt 5.10.5.19

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Notes to Financial Statements for the year ended March 31, 2019
(All amounts in INR Rupees unless stated otherwise)

iii) Earning & Expenditure in Foreign currency

Particular	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Expenditure in Foreign Currency		
Business Promotion	4,095,021	3,182,732
Commission	60,469,735	30,666,628
Rebate & Discount	-	-
Travelling Expenses	1,212,746	484,592
Interest on ECB	22,695,372	5,558,795
Interest on Buyer's Credit	6,685,294	3,308,266
Earnings in Foreign Currency		
FOB Value of Exports	2,129,205,444	1,240,477,363
Export Technical Service	-	-

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DHANUKA LABORATORIES LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

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

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

Basis for Opinion

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

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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 Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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Auditor's Responsibilities for the Audit of the Standalone 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 skepticism 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.

- 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

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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.

Other Matter

Coronavirus disease 2019 ('COVID-19'), was declared a global pandemic by World Health Organisation, the Indian Government announced a strict 21-day lockdown on March 24, 2020, which was further extended time to time across India to contain the spread of the virus. This has resulted in restriction on physical visit to the client locations and the need for carrying out alternative audit procedures as per the Standards on Auditing prescribed by the Institute of Chartered Accountants of India (ICAI).

We have performed procedures to assess and evaluate the impact on financial statements because of business decisions, government actions or economic environment developments. Our ability to perform regular audit procedures has been impacted which has resulted in performing alternative audit procedures in certain cases and exercise significant judgment in respect of the following:

Audit and quality control procedures which were earlier performed in person could not be performed; and hence alternative procedures have been performed based on inquiries (through phone calls, video calls and e-mail communications) and review of scanned documentation sent through e-mails, followed up with sighting with original documents.

Year-end inventory observation of inventory counts could not be performed. However, inventory counts were observed subsequent to year-end; and rolled back to year-end.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure "A"** statement on the matters Specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

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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 and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of written representations received from the directors as on 31 March, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2020, 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"** and

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

   i. The Company does not have any pending litigations which would impact its financial position.

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

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

For ASHOK KUMAR MALHOTRA & ASSOCIATES
Chartered Accountants
Firm Registration No.: 014498C

Ashok Kumar Malhotra & Associates Chartered Accountants Noida

Ashok Kumar Malhotra
Proprietor
Membership No.: 082258

Place: Noida
Dated: 29th December, 2020
UDIN 21082258AAAAAE2566

"Annexure A" to the Independent Auditor's Report of even date to the members of "DHANUKA LABORATORIES LIMITED" on the financial statements for the year ended 31 March 2020.

Annexure A

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

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

(b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.

(c) We have inspected the original title deeds of the immovable properties of the company held as fixed assets which are in the custody of the company and obtained confirmation from the bank for those, which has been mortgaged with bank. Based on our audit procedure and the information and explanations given to us, the title deeds of immovable properties, as disclosed in the financial statements, are held in the name of the Company.

(ii) (a) As explained to us, the inventories of finished goods, stores, spare parts and raw materials were physically verified at regular intervals by the Management. In case of inventories lying with third parties, certificates of stocks holding have been received.

(b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification of stock as compared to book records.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

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(iv) In our opinion and according to the information and explanation given to us, the Company has not entered into any transaction covered under Sections 185 of the Act. However, the Company has entered into transactions in pursuant to the Section 186 of the Act and the provisions mentioned therein are complied with.

(v) In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts have been made and maintained. We have not however, made a detailed examination of such accounts and records

(iii) (a)According to the information and explanation given to us no undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise duty, value added tax, have generally been regularly deposited to the appropriate authorities.

(b)There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute except the following

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	59.38 Lac	A.Y. 2012-13	The Commissioner of Income Tax (Appeals) XIII, New Delhi
Income Tax Act, 1961	Income Tax	30.72 Lac	A.Y. 2017-18	The Commissioner of Income Tax (Appeals) XIII, New Delhi
Customs Act, 1962	Custom Duty	14.64 Lac	F.Y. 2014-15	The Customs Excise and Service Tax Appellate Tribunal, Additional Zonal Branch, Ahmedabad.

(viii) Based on our audit procedure and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of loans or borrowings to a financial institution, bank government or dues to debenture holders.

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(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and term loans taken have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with Section 177 and Section 188 of the Companies Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards,

(xiv) During the period under review, the Company has not made any preferential allotment or private placement as per Section 42 of the Companies Act, 2013.However, the Company has issued 2,70,000 Equity Shares at a premium of Rs 1382 per share on right issue basis in pursuant to Section 62 of the Companies Act, 2013.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act during the year.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For ASHOK KUMAR MALHOTRA & ASSOCIATES
Chartered Accountants
Firm Registration No.: 014498C

Ashok Kumar Malhotra & Associates Chartered Accountants

Ashok Kumar Malhotra
Proprietor
Membership No.: 082258
Place: Noida
Dated: 29th December, 2020
UDIN

Annexure "B" to the Auditors' Report

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

We have audited the internal financial controls over financial reporting **DHANUKA LABORATORIES LIMITED** ("the Company") as of **31st March 2020** 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 ('ICAI').

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Ashok Kumar Malhotra & Associates Chartered Accountants Noida

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 31st March 2020, 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 ASHOK KUMAR MALHOTRA & ASSOCIATES
Chartered Accountants
Firm Registration No.: 014498C

Ashok Kumar Malhotra & Associates Chartered Accountants

Ashok Kumar Malhotra
Proprietor
Membership No.: 082258

Place: Noida
Dated: 29th December, 2020
UDIN 21082258AAAAAE2566

Dhanuka Laboratories Limited

Standalone Balance Sheet as at March 31, 2020

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	4	12,499.06	13,189.76	13,863.44
(b) Financial assets				
(if) Investments	5	24,949.15	6,702.76	7,702.25
(ii)Other Financial Assets	6	265.72	226.25	153.40
Total non-current assets		37,713.93	20,118.77	21,719.09
Current assets				
(a) Inventories	7	8,240.44	7,278.25	5,102.03
(b) Financial assets				
(i) Trade Receivables	8	7,979.68	8,898.65	8,747.62
(ii) Cash and Cash Equivalents	9	590.20	294.66	711.32
(iii)Bank Balances other than above	10	28.53	1.46	16.78
(iv)Other Financial Assets	11	39.60	97.89	183.26
(c) Current Tax Assets (net)	12	241.31	244.58	162.63
(d) Other current assets	13	2,142.51	2,609.31	3,078.25
Total current assets		19,262.27	19,424.80	18,001.89
Total Assets		56,976.19	39,543.57	39,720.99
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	14	1,384.66	1,114.66	1,003.96
(b) Other Equity	15	16,235.81	12,403.67	11,497.62
Total equity		17,620.47	13,518.33	12,501.58
Liabilities				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	16	3,180.76	2,954.05	5,318.91
(b) Provisions	17	115.66	95.60	93.50
(c)Deferred Tax Liability (Net)	18	992.12	1,021.90	1,336.92
Total non-current liabilities		4,288.54	4,071.55	6,749.32
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	19	19,218.00	9,167.73	9,911.97
(ii) Trade payables	20	12,816.27	10,514.48	8,866.43
(b) Short Term Provisions	21	121.33	159.59	106.15
(c) Other Current Liabilities	22	2,911.57	2,111.88	1,585.53
Total current liabilities		35,067.17	21,953.68	20,470.08
Total Liabilities		39,355.71	26,025.23	27,219.41
Total Equity and Liabilities		56,976.19	39,543.57	39,720.99

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For Ashok Kumar Malhotra & Associates
Chartered Accountants
Firm Registration No.014498C

Ashok Kumar Malhotra
Proprietor
Membership No.082258
Place : Delhi
Date : 29th December, 2020
UDIN : 21082258AAAAAE2566

For and on behalf of the board

Arun Kumar Dhanuka
Director
Date : 29th December, 2020

Manish Dhanuka
Director
Date : 29th December, 2020

Sunil Gupta
CFO
Date : 29th December, 2020

Pavitra Mishra
Company Secretary
Date : 29th December, 2020
A-59114

Dhanuka Laboratories Limited

Statement of Standalone profit and loss for the year ended March 31, 2020

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
Continuing Operations			
A Income			
Revenue from operations	23	40,768.15	40,779.86
Other income	24	1,150.95	1,400.19
Total income		**41,919.10**	**42,180.05**
B Expenses			
Cost of materials consumed	25	29,513.13	33,436.17
Changes in inventories of finished goods and WIP	26	(640.00)	(1,554.29)
Employee Benefits Expense	27	1,831.21	1,737.43
Finance costs	28	1,143.89	1,333.74
Depreciation and amortisation expense	29	803.97	788.22
Other expenses	30	7,805.79	5,883.78
Total expenses		**40,457.99**	**41,625.05**
C Profit/ (loss) before exceptional items and tax		**1,461.11**	**555.00**
Exceptional items - Income / (Expenses)	31	6.27	-
D Profit/ (loss) before tax from continuing operations		1,467.38	555.00
Income tax expense	32		
Current tax		99.27	141.68
Deferred tax charge/ (credit)		(29.78)	(315.01)
MAT Credit Entitlement		244.45	(141.68)
Profit/ (loss) for the year		**1,153.44**	**870.01**
E Other comprehensive income			
Items that will not be reclassified to profit or loss		-	-
Remeasurement of post employment benefit obligations		-	-
Gain/ (Loss) on fair valuation of investments		-	-
Income tax (charge)/ credit relating to these items		-	-
Other comprehensive income for the year, net of tax		**-**	**-**
Total comprehensive income/ (loss) for the year		**1,153.44**	**870.01**
Earnings per share	33		
Basic earnings per share		83.30	78.05
Diluted earnings per share		103.14	86.42

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For Ashok Kumar Malhotra & Associates
Chartered Accountants
Firm Registration No.014498C

Ashok Kumar Malhotra
Proprietor
Membership No.082258
Place : Delhi
Date : 29th December, 2020
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Sunil Gupta
CFO
Date : 29th December, 2020

Pavitra Mishra
Company Secratory
Date : 29th December, 2020
A-59114

Dhanuka Laboratories Limited

Statement of Standalone cash flows for the year ended March 31, 2020

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash Flow From Operating Activities		
Profit/ loss before income tax	1,461.11	555.00
Adjustments for		
Depreciation and amortisation expense	803.97	788.22
Ind AS Adjustments	(1,052.70)	(1,353.25)
(Profit)/ loss on sale of fixed assets	(0.19)	-
Share of Loss from Partnership firm	903.88	366.39
Finance costs	1,143.89	1,333.74
Dividend Income	-	(47.31)
Interest income	(6.04)	(2.26)
	3,253.92	1,640.53
Change in operating assets and liabilities		
(Increase)/ decrease in Other financial assets	18.82	12.52
(Increase)/ decrease in inventories	(962.19)	(2,176.22)
(Increase)/ decrease in trade receivables	918.97	(151.03)
(Increase)/ decrease in Other assets	466.80	468.94
Increase/ (decrease) in provisions and other liabilities	659.59	213.64
Increase/ (decrease) in trade payables	2,301.79	1,648.05
Cash generated from operations	6,657.70	1,656.43
Less : Income taxes paid (net of refunds)	(376.59)	(4.07)
Net cash from operating activities (A)	**6,281.11**	**1,652.36**
Cash Flows From Investing Activities		
Purchase of PPE (including changes in CWIP)	(121.36)	(139.74)
Sale proceeds of PPE	8.28	25.20
Disposal proceeds of Investments	1,993.66	1,525.64
Purchase of Investments	(20,240.05)	(526.15)
(Investments in)/ Maturity of fixed deposits with banks	(27.07)	15.32
Share of Loss from Partnership firm	(903.88)	(366.39)
Dividend received	-	47.31
Interest received	6.04	2.26
Net cash used in Investing activities (B)	**(19,284.38)**	**583.45**
Cash Flows From Financing Activities		
Proceeds from issue of equity share capital	4,001.40	1,499.99
Proceeds from Borrowings	10,441.29	(2,818.73)
Finance costs	(1,143.89)	(1,333.74)
Net cash from/ (used in) financing activities (C)	**13,298.80**	**(2,652.48)**
Net increase/decrease in cash and cash equivalents (A+B+C)	**295.54**	**(416.66)**
Cash and cash equivalents at the beginning of the financial year	294.66	711.32
Cash and cash equivalents at end of the year	**590.20**	**294.66**

Notes:

1. The above cash flow statement has been prepared under indirect method prescribed in Ind AS 7 "Cash Flow Statements".

2. Components of cash and cash equivalents

Balances with banks		
- in current accounts	567.76	274.60
- in fixed deposit with original maturity of less than 3 months	18.40	17.07
Cash on hand	4.04	2.99
	590.20	294.66

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For Ashok Kumar Malhotra & Associates
Chartered Accountants
Firm Registration No.014498C

Ashok Kumar Malhotra
Proprietor
Membership No.082258

Place : Delhi
Date : 29th December, 2020

UDIN 21082258AAAAAE2566

For and on behalf of the board

Arun Kumar Dhanuka
Director
Date : 29th December, 2020

Manish Dhanuka
Director
Date : 29th December, 2020

Sunil Gupta
CFO
Date : 29th December, 2020

Pavitra Mishra
Company Secratory
Date : 29th December, 2020

Dhanuka Laboratories Ltd. New Delhi

Dhanuka Laboratories Limited

Statement of Changes in Equity for the year ended March 31, 2020

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

(A) Equity Share Capital

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting period	1,114,660	1,114.66	1,003,960	1,003.96
Changes in equity share capital during the year	270,000	270.00	110,700	110.70
Balance at the end of the reporting period	1,384,660	1,384.66	1,114,660	1,114.66

(B) Other Equity

Particulars	Securities Premium Reserve	General Reserve	Capital Redemption Reserve	Other Comprehensive Income	Profit and Loss Account	Total
Balance as at April 1, 2018	-	367.84	195.05	-	10,934.73	11,497.62
Total Comprehensive Income for the year	-	-	-	-	870.01	870.01
Additions/ (deductions) during the year	1,389.29	-	-	-	(1,353.25)	36.04
Balance as at March 31,2019	1,389.29	367.84	195.05	-	10,451.49	12,403.67
Total Comprehensive Income for the year	-	-	-	-	1,153.44	1,153.44
Additions/ (deductions) during the year	3,731.40	-	-	-	(1,052.70)	2,678.70
Balance as at March 31, 2020	5,120.69	367.84	195.05	-	10,552.23	16,235.81

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For Ashok Kumar Malhotra & Associates
Chartered Accountants
Firm Registration No.014498C

Ashok Kumar Malhotra
Proprietor
Membership No.082258

Place : Delhi
Date : 29th December, 2020
UDIN : 21082258AAAAAE2566

For and on behalf of the board

Arun Kumar Dhanuka
Director
Date : 29th December, 2020

Manish Dhanuka
Director
Date : 29th December, 2020

Sunil Gupta
CFO
Date : 29th December, 2020

Pavitra Mishra
Company Secratory
Date : 29th December, 2020

1 Corporate Information

Dhanuka Laboratories Limited ("the Company") is a public Company domiciled in India and incorporated on February 24th, 1993 under the provisions of the Companies Act applicable in India. The registered office of the Company is located at New Delhi and is one of the leading pharmaceutical companies in India head quartered in Delhi and involved in the manufacture and marketing of diverse bulk actives and formulations of various drugs.

2 Basis of preparation of financial statements

a. **Statement of compliance**

The financial statements are prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ('the Act') as amended through rules and other relevant provisions of the Act to the extent applicable.

The financial statement up to year ended 31 March, 2017 were prepared in accordance with accounting standards notified under section 133 of the Companies Act, 2013 ('The Act') read with rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified).

As these are the Company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. Reconciliations and explanations of the effect of the transition from previous GAAP to Ind AS on company's total equity, total comprehensive income and statement of cash flows are provided in Note no. 47.

These financial statements were authorized for issue by the Board of Directors on **December 29, 2020.**

b. **Basis of measurement**

The financial statements have been prepared on an accrual basis and under the historical cost convention, except for the following:
- Certain financial assets and liabilities that is measured at fair value;
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments);
- Defined benefit plans - plan assets measured at fair value.

c. **Basis of measurement**

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). The financial statements are presented in Indian National Rupee ('INR'), which is the Company's functional and presentation currency. All amounts have been rounded to the nearest lacs, unless otherwise indicated.

d. **Current or Non-current classification**

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

e. **Use of Judgements and estimates**

In preparing the financial statements, the Management has to make certain assumptions and estimates that may substantially impact the presentation of the Company's financial position and/ or results of operations.
Such assumptions and estimates mainly relate to the useful life of Property, Plant and Equipment, Intangible Assets, Recognition of deferred tax, and the recognition of provisions, including those for litigation and impairment, employee benefits and sales deductions.

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Although the Company regularly assesses these estimates, actual results may differ from these estimates. Changes in estimates are recorded in the periods in which they become known.

3 Significant Accounting Policies

The Company has consistently applied the following accounting policies to all periods presented in the financial statements:-

Kumar Malhotra & Associates Chartered Accountants Noida

S.K. Gupta

Dhanuka Laboratories Ltd. New Delhi

a. Property, plant and equipment

I Recognition and measurement

Property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, after deducting trade discount and rebates, and including import duties, non-refundable purchase taxes, any directly attributable cost of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials, direct labour and any directly attributable cost of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are included in cost to the extent they relate to the period till such assets are ready for its intended use.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. The cost of replacing part of an item of property, plant and equipment or major inspections performed, are recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of all other repairs and maintenance are recognized in the Statement of Profit & Loss as incurred.

Capital work-in-progress includes cost of property, plant and equipment under installation / under construction as at the balance sheet date.

An item of property, plant and equipment is derecognized when no future economic benefits are expected to arise from the continued use of the asset or upon disposal. Any gain or loss on disposal is recognized in statement of profit & loss.

II Transition to IND AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognized as at 1st April, 2018 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

III Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values, recognized in the statement of profit and loss. Depreciation on property, plant and equipment is provided on Straight Line Method (SLM) at the rate and in the manner based on the useful life of the assets as estimated by the management which coincide with the useful life specified under Schedule II of the Companies Act, 2013, which are as follows:

Building including factory building	:	30 years
General plant and machinery	:	20 years
Furniture and Fittings	:	10 years
Vehicles	:	08 years
Computers and data processing units	:	03 years
Electrical Equipment's	:	10 years
Office Equipment	:	05 years
Laboratory Equipment	:	10 years

Depreciation methods, useful lives and residual values are reviewed at each financial year end and changes, if any, are accounted for prospectively. Depreciation on additions to or on disposal of assets is calculated on pro-rata basis i.e. from (upto) the date on which the property, plant and equipment is available for use (disposed off).

b. Intangible assets

I Recognition and measurement

Intangible Assets are recognized, if the future economic benefits attributable to the assets are expected to flow to the company and cost of the asset can be measured reliably. All other expenditure is expensed as incurred.

Intangible assets are measured at cost less any accumulated amortization and impairment losses, if any and are amortized over their respective individual estimated useful life on straight line method. It is amortized from the point at which the asset is available for use.

Cost of an item of intangible asset comprises its purchase price, after deducting trade discount and rebates, and including import duties, non-refundable purchase taxes, and any directly attributable cost of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period and adjusted prospectively, if appropriate.

An intangible asset is derecognized when no future economic benefits are expected to arise from the continued use of the asset or upon disposal. Any gain or loss on disposal is recognized in statement of profit & loss.

II Transition to IND AS

On transition to Ind AS, company has elected to continue with the carrying value; if any of all of its intangible assets recognized as at 1 April 2018, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

Ashok Kumar Mehrotra & Associates Chartered Accountants

S.K. Gupta

Laboratories Ltd. New Delhi

c. Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash flows are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units ('CGUs'). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss.

In respect of assets for which impairment loss has been recognized in prior periods, the company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. After impairment, depreciation or amortization is provided on the revised carrying amount of the assets over its remaining useful life.

d. Financial instruments

I Initial Recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially recognized at fair value plus transaction costs directly attributable to its acquisition. The transaction costs incurred for the purchase of financial assets held at fair value through profit and loss are expensed in the statement of profit and loss immediately.

II Subsequent measurement

(i) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. When the financial asset is derecognized or impaired, the gain or loss is recognized in the statement of profit and loss.

(ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in statement of profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to the statement of profit and loss.

Equity instruments are subsequently measured at fair value. On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment by investment basis. Fair value gains and losses recognized in OCI are not reclassified to the statement of profit and loss.

(iii) Financial assets at fair value through profit and loss

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

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts is approximate to the fair value due to the short maturity of these instruments.

(v) Investment in subsidiaries

Investment in subsidiaries is carried at cost less impairment, if any, in the financial statements.

III Impairment of financial assets

The company assesses on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost and FVOCI debt instruments. Except trade receivables, expected credit losses are measured at an amount equal to the twelve-month expected credit loss unless there has been a significant increase in credit risk from initial recognition, in which case those are measured at lifetime ECL.

In case of trade receivables, the Company follows the simplified approach which requires expected lifetime losses to be recognized from the initial recognition of the trade receivables. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

Ashok Kumar Malhotra & Associates Noida Chartered Accountants

Dhanuka Laboratories Ltd. New Delhi

IV Derecognition

(i) Financial Assets

Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

(ii) Financial Liabilities

The company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expired.

V Reclassification of Financial Assets and Financial Liabilities

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. If the company reclassifies financial assets, it applies prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

VI Derivative financial instruments

The company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risk. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re- measured at fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are recognized immediately in the statement of profit and loss.

VII Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the company has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

e. Fair Value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using other valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the company has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Level 1-This includes financial instruments measured using quoted prices (Unadjusted) in active markets for identical assets and liabilities.

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

Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

f. Inventories

Inventories (including Stock-in-transit) of Finished Goods, Stock in Trade, Work in progress, Raw materials, packing materials and Stores & Spares are stated at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Cost includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition. Net realizable 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.

Cost of Raw Materials, Packing Materials, Stores and Spares, Stock in Trade and other products are determined on First in first out (FIFO) basis and are net of GST.

Cost of Work in progress and Finished Goods is determined on First in first out (FIFO) basis considering direct material cost and appropriate portion of manufacturing overheads based on normal operating capacity.

Obsolete, slow moving and defective inventories are identified at the time of physical verification of inventories and wherever necessary, the same are written off or provision is made for such inventories. Finished goods and work in progress are written down if anticipated net realizable value declines below the carrying amount of the inventories and such write down to inventories are recognized in statement of profit & loss. When reason for such write down ceases to exists, then write down is reversed through statement of profit and loss account.

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g. **Provisions, Contingent Liabilities and Contingent Assets**

A provision is recognized if, as a result of a past event, the company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent Liability is disclosed after careful evaluation of facts, uncertainties and possibility of reimbursement, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities are not recognized but are disclosed in notes.

Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable.

h. **Revenue Recognition**

I **Sale of goods**

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognized when the significant risk and rewards of ownership have been transferred to the customer and it is probable that the economic benefits associated with the transaction will flow to the company. The amount of revenue and associated costs can be measured reliably. Amounts disclosed as revenue are net of GST, sale returns, trade discounts and volume rebates.

Incentives on exports are recognized in books after due consideration of certainty of utilization/ receipt of such incentives.

II **Sale of Services**

Revenue from sale of services is recognized as per the terms of the contract with customers based on the stage of completion when the outcome of the transactions involving rendering of services can be estimated reliably.

III **Interest Income**

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition. Interest income is included in other income in the statement of profit and loss.

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IV Dividends

Dividend income is recognized when the Company's right to receive dividend is established, and is included in other income in the statement of

i. Employee Benefits

I. Short Term Employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

II. Defined contribution plans

Employees benefits in the form of the Company's contribution to Provident Fund, Pension scheme, Superannuation Fund, National Pension scheme and Employees State Insurance are defined contribution schemes. The Company recognizes contribution payable to these schemes as an expense, when an employee renders the related service.

If the contribution payable exceeds contribution already paid, the deficit payable is recognized as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the end of the reporting period, the Company recognize that excess as an asset (prepaid expense) to the extent that the prepayment will lead to reduction in future payments or a cash refund.

III. Defined benefit plans

Retirement benefits in the form of gratuity are considered as defined benefit plans. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The company provides for its gratuity liability based on actuarial valuation of the gratuity liability as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary. The company contributes to the gratuity fund, which are recognized as plan assets. The defined benefit obligation as reduced by fair value of plan assets is recognized in the Balance Sheet.

When the calculation results in a potential asset for the company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in Other Comprehensive Income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognized in statement of profit & loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in statement of profit & loss. The company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

IV. Other long-term employee benefits

Employee benefits in the form of long-term compensated absences are considered as long-term employee benefits. The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurement are recognized in statement of profit & loss in the period in which they arise.

The liability for long term compensated absences are provided based on actuarial valuation as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary.

j. Foreign currency transactions

The financial statements are presented in Indian rupee, which is the company's functional and presentation currency. A company's functional currency is that of the primary economic environment in which the company operates.

Foreign currency transactions are translated into the functional currency using the exchange rate at the date of the transaction. Foreign exchange gains/losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in the statement of profit and loss.

k. Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

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l. Income Tax

Income tax expense comprises current and deferred tax. It is recognized in statement of profit & loss except to the extent that it relates to items recognized directly in equity or in Other Comprehensive Income.

I. Current Tax

Current tax comprises the expected tax payable on the taxable income for the year after taking credit of the benefits available under the Income Tax Act and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if, the Company:

a) has a legally enforceable right to set off the recognized amounts; and
b) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

II. Deferred Tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences. In contrast, deferred tax assets are only recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized.

The carrying value of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is measured at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized based on the tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to cover or settle the carrying value of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

i) The entity has a legally enforceable right to set off current tax assets against current tax liabilities, and
ii)The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.
Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability.

m. Income Tax

An operating segment is defined as a component of the entity that represents business activities from which it earns revenues and incurs expenses and for which discrete financial information is available. The operating segments are based on the company's internal reporting structure and the manner in which operating results are reviewed by the Chief Operating Decision Maker (CODM).

n. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

o. Statement of cash flow

Cash flow statements are prepared in accordance with "Indirect Method" as explained in the Ind AS on Statement of Cash Flows (Ind AS - 7). The cash flows from operating, financing and investing activity of the company are segregated.

p. Lease

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

I. Finance Lease

Finance Lease that transfer substantially all of the risks and benefits incidental to ownership of the leased item, are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss.A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

II. Operating Lease

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. Payments under operating lease are recorded in the Statement of profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

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q. Earning Per Share

The basic earnings per share are computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

r. Research and Development Expenses

Research and Development Expenses of revenue nature are charged to the Statement of profit and Loss.

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4 Property, plant and equipment

Particulars	Tangible Assets									
	Freehold Land & Site Development	Buildings	Plant and Machinery	Furniture and Fittings	Vehicles	Computers	Electrical Equipments	Office Equipment	Laboratory Equipment	Total
Deemed Cost										
Cost as at April 1, 2018	613.64	3,550.55	11,035.97	120.00	131.73	108.95	652.36	46.82	483.89	16,743.92
Additions	-	19.66	91.43	2.30	8.19	6.01	2.85	3.25	6.04	139.74
Disposals	-	-	(32.62)		-	-	-		-	(32.62)
Cost as at March 31, 2019	613.64	3,570.21	11,094.78	122.31	139.92	114.96	655.21	50.08	489.93	16,851.04
Additions	-	31.63	55.65	0.70	16.32	1.49	1.06	3.19	11.32	121.36
Disposals	-	-	(6.14)		(7.26)			-	-	(13.40)
Cost as at March 31, 2020	613.64	3,601.84	11,144.29	123.00	148.98	116.45	656.27	53.27	501.25	16,959.00
Depreciation/ Amortisation										
As at April 1, 2018	-	298.28	2,185.90	29.07	49.88	74.87	104.58	16.93	120.98	2,880.49
Depreciation for the year		118.94	524.28	10.50	15.97	11.98	55.52	6.90	44.13	788.22
Disposals	-	-	(7.43)	-	-			-	-	(7.43)
As at March 31, 2019	-	417.22	2,702.75	39.57	65.85	86.85	160.10	23.83	165.11	3,661.27
Depreciation for the year	-	123.34	534.53	10.64	17.34	11.48	55.38	7.42	43.84	803.97
Disposals	-	-	(0.50)	-	(4.81)	-		-	-	(5.31)
As at March 31, 2020	-	540.56	3,236.78	50.21	78.38	98.33	215.48	31.25	208.95	4,459.93
Net Carrying Value										
As at March 31, 2018	613.64	3,252.27	8,850.07	90.94	81.85	34.08	547.78	29.89	362.91	13,863.44
As at March 31, 2019	613.64	3,152.99	8,392.03	82.74	74.07	28.11	495.11	26.25	324.82	13,189.76
As at March 31, 2020	613.64	3,061.28	7,907.51	72.80	70.60	18.12	440.79	22.02	292.30	12,499.06

Notes :

(a) On transition date, as per Para D7AA of IND AS 101, the company has elected to continue with carrying value of all of it's property, plant and equipment as deemed cost Hence net carrying value under previous GAAP as on 31 March 2018 is recognised as Deemed cost as on 01/04/2018

(b) Refer note 43 for information on movable assets which are pledged as security by the company to banks

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Notes	Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
5	**Non-current investments**			
	Investment in Equity Instruments			
a.	**Quoted- At Fair Value through Profit & Loss**			
	400,00,072 equity shares (previous year Nil) of Rs.10 each in Orchid Pharma Limited, fully paid up (Subsidaiary Company)	4,000.00	-	-
b.	**Unquoted- At Fair Value through Profit & Loss**			
	50 equity shares (previous year 50)of Rs. 10 each in Saraswat Co-operative Bank, fully paid up	0.01	0.01	0.01
	1000 equity shares (previous year 12,47,036) of Rs. 10 each in Otsuka Chemical (India) Private Limited, fully paid up	1.60	1,995.26	3,520.90
	Investment in Debentures			
a.	**Unquoted- At Fair Value through Profit & Loss**			
	1,43,000 Optionally Convertible Debentures (Quasi Equity) (previous year Nil) of Rs.100,000 each in Orchid Pharma Limited, fully paid up (Subsidiary Company)	14,300.00	-	-
	Investments in Partnership Firms at Cost			
	Synmedic Laboratories 98% Capital is held with Synmedic Laboratories , 1% held with Manish Dhanuka, 1% held with Harsh Dhanuka	6,622.18	4,654.95	4,110.04
	IKO Overseas 98% Capital is held with IKO Overseas , 1% held with Arjun Dhanuka, 1% held with Harsh Dhanuka	25.36	52.54	71.30
		24,949.15	**6,702.76**	**7,702.25**
	Total Non-Current Investments			
	Aggregate value of quoted investments	4,000.00	-	-
	Aggregate market value of quoted investments	4,000.00	-	-
	Aggregate value of unquoted investments	20,949.15	6,702.76	7,702.25
6	**Other non-current financial assets**			
	(Unsecured, considered good)			
	Deposits with Government Authorities	7.44	7.44	5.54
	Other Deposits	258.28	218.81	146.61
		265.72	**226.25**	**153.40**
7	**Inventories**			
	Raw Materials	3,967.52	3,615.51	3,020.63
	Intermediates & Work-in-progress	4,221.97	3,581.97	2,027.68
	Stores and Spare parts	12.90	80.77	53.72
	Chemicals and Consumables	38.05	-	-
		8,240.44	**7,278.25**	**5,102.03**
a.	The mode of valuation of inventories has been stated in note no 2(g)			
b.	Refer note 43 for information on Inventories pledged as security by the company to banks			
8	**Trade receivables**			
	Trade Receivables considered good - Secured	-	-	-
	Trade Receivables considered good - Unsecured*	7,979.68	8,898.65	8,747.62
		7,979.68	**8,898.65**	**8,747.62**
a.	*Of the above, trade receivable from related parties are given below.			
	Unsecured, considered good	12.04	0.15	-
b.	Refer note 43 for information on Trade Receviable pledged as security by the company to banks			

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Notes	Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
9	**Cash and cash equivalents**			
	Cash on hand	4.04	2.99	4.12
	Balances with banks			
	In current accounts	567.76	274.60	707.20
	Term Deposits			
	In fixed deposit (with original maturity less than 3 months)	18.40	17.07	-
		590.20	294.66	711.32
10	**Other Bank Balances**			
	In Fixed Deposits with banks (maturing within 12 months from the reporting date)	28.53	1.46	16.78
		28.53	1.46	16.78
11	**Other current financial assets**			
	(Unsecured, considered good)			
	Interest accrued	0.50	0.23	0.22
	Rent Advances	0.63	1.91	2.91
	Prepaid finance charges	38.47	95.75	180.13
		39.60	97.89	183.26
12	**Current tax assets**			
	Advance income tax (net of provision for tax)	241.31	0.13	59.86
	MAT Credit Entitlement*	-	244.45	102.77
		241.31	244.58	162.63
	Refer note 48 for information on MAT Credit Entilement utlised/reversed during the year			
13	**Other current assets**			
	(Unsecured, considered good)			
	Advance recoverable in cash or in kind or for value to be received			
	Advance to suppliers	278.52	374.22	376.87
	Prepaid expenses	41.07	28.54	21.43
	Advance Licence Benefit	383.62	377.30	310.56
	Balances with Statutory Authorities	1,426.11	1,806.76	2,362.20
	Employees Advances	12.10	13.35	6.34
	Others amounts receivable	1.09	9.14	0.85
		2,142.51	2,609.31	3,078.25
14	**Equity Share Capital**			
	Authorised Share Capital			
	14,50,000 Equity Shares of 100.00 each, (Previous year 10,50,000 Equity Shares of Rs. 100.00 each)	1,450.00	1,050.00	1,050.00
		1,450.00	1,050.00	1,050.00
	Issued Share Capital			
	13,84,660 Equity Shares of Rs. 100.00 each, (Previous year 11,14,660 Equity Shares of Rs. 100.00 each)	1,384.66	1,114.66	1,003.96
		1,384.66	1,114.66	1,003.96
	Subscribed and fully paid up share capital			
	13,84,660 Equity Shares of Rs. 100.00 each, (Previous year 11,14,660 Equity Shares of Rs. 100.00 each)	1,384.66	1,114.66	1,003.96
		1,384.66	1,114.66	1,003.96
(a)	**Reconciliation of number of equity shares subscribed**			
	Balance as at the beginning of the year	1,114,660	1,003,960	1,003,960
	Add: Issued during the year	270,000	110,700	-
	Less : Shares cancelled (Buyback)	-	-	-
	Balance at the end of the year	1,384,660	1,114,660	1,003,960

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Notes	Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018

(b) **Shareholders holding more than 5% of the total share capital**

Name of the share holders	March 31, 2020		March 31, 2019		April 01, 2018	
	%	No of shares	%	No of shares	%	No of shares
Mr. Arun Kumar Dhanuka	9.77	135,222	12.13	135,222	11.91	119,560
Mrs. Pushpa Dhanuka	4.15	57,510	5.16	57,510	5.73	57,510
Pushpa Dhanuka Trust	13.00	179,970	4.03	44,970	4.48	44,970
Mr. R.G. Agarwal	5.53	76,600	6.87	76,600	7.63	76,600
Mr. M.K. Dhanuka	4.86	67,250	6.03	67,250	6.70	67,250
Mrs. Uma Dhanuka	4.22	58,500	5.25	58,500	5.83	58,500
Mr. Manish Dhanuka	14.70	203,495	18.26	203,495	18.65	187,198
Triveni Trust	25.52	353,330	19.59	218,330	16.13	161,980

As per the records of the Company, including its Register of Shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

(c) **Terms/Rights attached to Issued Equity Shares**

The company has only one class of equity shares having a par value of Rs.100 each. The equity shares of the company having par value of Rs 100/- rank pari passu in all respects including voting rights and entitlement to dividend.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts, the distribution will be in proportion to the number of Equity Shares held by the shareholders.

The dividend proposed if any, by the Board of Directors, is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year, the Company proposed a dividend of Rs. Nil per equity share held (Previous year Rs. Nil per equity share held)

Notes	Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
15	**Other Equity**			
	Securities Premium	5,120.69	1,389.29	-
	Capital Redemption Reserve	195.05	195.05	195.05
	General Reserve	367.84	367.84	367.84
	Other Comprehensive Income	-	-	-
	Profit and Loss Account	10,552.23	10,451.49	10,934.73
		16,235.81	**12,403.67**	**11,497.62**
	a) Securities Premium			
	Balance at the beginning of the year	1,389.29	-	-
	Additions during the year	3,731.40	1,389.29	-
	Balance at the end of the year	**5,120.69**	**1,389.29**	**-**
	b) Capital Redemption Reserve			
	Balance at the beginning and end of the year	195.05	195.05	195.05
	c) General Reserve			
	Balance at the beginning and end of the year	367.84	367.84	367.84
	d) Other comprehensive income			
	Balance at the beginning of the year	-	-	-
	Net Other Comprehensive Income for the period	-	-	-
	(Deductions)/ Adjustments during the year	-	-	-
	Balance at the end of the year	-	-	-

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Notes	Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
	e) Profit and Loss Account			
	Balance at the beginning of the year	10,451.49	10,934.73	10,934.73
	Net profit for the period	1,153.44	870.01	-
	Adjustments to retained earnings	(1,052.70)	(1,353.25)	-
	Balance at the end of the year	10,552.23	10,451.49	10,934.73
16	**Long Term Borrowings - at amortised cost**			
	Secured *			
	From Banks			
	Foreign Currency Term Loans	3,201.54	4,593.11	5,691.00
	From NBFC	1.65	7.53	10.01
	Unsecured Loans			
	From NBFC	1,766.67	-	1,000.00
	Less: Current maturities of Long Term Debt (refer note 22)	(1,789.09)	(1,646.59)	(1,382.10)
		3,180.76	2,954.05	5,318.91
	* Refer Note 43 for repayment terms and security details			
17	**Provisions (Non-current)**			
	Provision for Employee Benefits			
	Compensated absence	115.66	95.60	93.50
	Gratuity	-	-	-
		115.66	95.60	93.50
18	**Deferred Tax Asset / (Liability) - Net**			
	Deferred Tax Liability			
	On Fixed Assets	983.49	1,271.44	981.37
	On Others	8.63	320.63	-
		992.12	1,592.07	981.37
	Deferred Tax Asset			
	On Fixed Assets		-	-
	On unabsorbed tax depreciation	-	544.28	258.97
	On unabsorbed Capital Loss	-	25.89	25.89
	On Others	-	-	(640.41)
	Net deferred tax asset / (liability)	(992.12)	(1,021.90)	(1,336.92)
19	**Current liabilities - Borrowings**			
	Secured*			
	Working Capital Facilities / Borrowings	4,816.95	3,006.44	6,501.47
	Loans from NBFC	5.88	8.04	5.69
	Unsecured			
	Loans from NBFC	233.33	-	-
	Loans from Others	5,500.00	2,500.00	-
	Loans from Directors	8,661.84	3,453.25	3,404.81
	Loans from Share Holders	-	200.00	-
		19,218.00	9,167.73	9,911.97
20	**Trade payables**			
	Dues to Micro enterprises and Small enterprises *	7.81	9.49	-
	Dues to Creditors other than Micro and Small enterprises	12,808.46	10,504.99	8,866.43
		12,816.27	10,514.48	8,866.43
	* Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management represents the principal amount payable to these enterprises. Please refer note 39.			

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S.K. Gupta

Shanuka Laboratories Ltd. New Delhi

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Notes	Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
21	**Provisions (Current)**			
	Provision for employee benefits			
	Gratuity	-	-	-
	Compensated absence	22.06	17.91	42.35
	Provision for Income Tax	99.27	141.68	63.80
		121.33	159.59	106.15
22	**Other current liabilities**			
	Current maturities of Term Loans	1,789.09	1,646.59	1,382.10
	Interest accrued on borrowings	193.32	171.51	145.63
	Statutory Liabilities	54.47	51.71	50.52
	Advance and deposits from customers etc.,	874.69	242.07	7.28
		2,911.57	2,111.88	1,585.53

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S.K. Gupta

Dhanuka Laboratories Ltd. New Delhi

Notes	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
23	**Revenue from operations**		
	Sale of Products		
	Manufactured goods	40,768.15	40,779.86
		40,768.15	**40,779.86**
24	**Other income**		
	Interest income	6.04	2.26
	Dividend Received	-	47.31
	Profit on sale of assets	0.19	-
	Profit on sale of Investments	1,068.70	1,051.34
	Foreign exchange gain (net)	27.74	299.06
	Cash Discount	29.78	-
	Other non-operating income	18.50	0.22
		1,150.95	**1,400.19**
25	**Cost of materials consumed**		
	Opening inventory of raw materials	3,615.51	3,020.63
	Add : Purchases	29,865.14	34,031.05
	Less : Closing inventory of raw materials	(3,967.52)	(3,615.51)
		29,513.13	**33,436.17**
26	**Changes in inventories of work-in-progress, stock in trade and finished goods**		
	Opening Balance		
	Intermediates & Work-in-progress	3,581.97	2,027.68
	Finished Goods	-	-
		3,581.97	**2,027.68**
	Closing Balance		
	Intermediates & Work-in-progress	4,221.97	3,581.97
	Finished Goods	-	-
		4,221.97	**3,581.97**
	Total changes in inventories	**640.00**	**1,554.29**
27	**Employee benefits expense**		
	Salaries and wages	1,695.03	1,604.54
	Contribution to provident and other funds	97.59	93.57
	Staff welfare expenses	38.59	39.32
		1,831.21	**1,737.43**
28	**Finance Cost**		
	Interest on Term Loans	293.17	320.45
	Interest On Deposits	418.50	364.38
	Interest on others	432.22	648.91
		1,143.89	**1,333.74**

Ashok Kumar Malhotra & Associates Noida
Dhanuka Laboratories Ltd. New Delhi

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Notes	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
29	**Depreciation and amortisation expense**		
	Depreciation on Property, Plant and Equipment	803.97	788.22
		803.97	**788.22**
30	**Other expenses**		
	Power and Fuel	3,126.37	3,076.20
	Job Work/Conversion Charges	111.48	121.14
	Consumption of Stores, Spares & Chemicals	161.04	134.42
	Consumption of Packing Material	122.67	135.11
	Rent	1.44	2.13
	Repairs to buildings	9.77	15.14
	Repairs to Machinery	354.73	314.00
	Factory maintenance	113.87	107.83
	Insurance	60.16	23.17
	Rates & Taxes	11.93	21.41
	Postage, Telephone & Telex	25.31	37.11
	Printing & Stationery	27.65	20.80
	Vehicle Maintenance	33.50	32.85
	Lab Expenses	80.28	80.78
	Research & Development Expenses	27.04	21.51
	Recruitment expenses	0.22	0.07
	Payment to Auditors [Refer Note 34 (a)]	4.10	3.75
	Travelling and Conveyance	154.83	132.58
	Directors' Remuneration & perquisites	53.38	51.17
	Freight outward	26.10	23.18
	Commission on Sales	1,554.58	809.27
	Business Promotion and Selling Expenses	57.88	81.03
	Lease Rentals	156.52	148.25
	Consultancy & Professional Fees	37.06	51.15
	Loss From Investment in Partnership Firm	903.88	366.39
	Acquisition Expenses	485.42	-
	Bank charges	12.52	18.71
	Bad Debts	13.98	-
	Miscellaneous expenses	78.08	54.63
		7,805.79	**5,883.78**
34 (a)	**Payment to auditors ***		
	As auditors - statutory audit	2.15	1.95
	For certificate and other services	1.95	1.80
		4.10	3.75
	* Excluding taxes		
31	**Exceptional items**		
	Exceptional items	6.27	-
		6.27	**-**

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Dhanuka Laboratories Ltd. New Delhi

Notes	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
32	**Income tax expense**		
	(a) Income tax expense		
	Current tax		
	Current tax on profits for the year	99.27	141.68
	Total current tax expense	**99.27**	**141.68**
	Deferred tax		
	Deferred tax adjustments	(29.78)	(315.01)
	Total deferred tax expense/(benefit)	**(29.78)**	**(315.01)**
	MAT Credit Entitlement		
	MAT Credit Entitlement	244.45	(141.68)
	Total MAT Entitlement	**244.45**	**(141.68)**
	Income tax expense	**313.94**	**(315.01)**
	b) Income tax recognised in other comprehensive income		
	Deferred tax		
	Remeasurement of defined benefit obligation	-	-
	Total income tax recognised in other comprehensive income	-	-

c) Movement of deferred tax expense for the year ended March 31, 2020

Deferred tax (liabilities)/assets in relation to:	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Property, plant, and equipment and Intangible Assets	(1,271.44)	287.95	-	(983.49)
Unabsorbed tax depreciation*	544.28	(544.28)	-	-
Unabsorbed Capital Loss	25.89	(25.89)	-	-
Other temporary differences	(320.63)	312.00	-	(8.63)
	(1,021.90)	**29.78**	**-**	**(992.12)**

e) Movement of deferred tax expense during the year ended March 31, 2019

Deferred tax (liabilities)/assets in relation to:	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Property, plant, and equipment and Intangible Assets	(981.37)	(290.07)	-	(1,271.44)
Unabsorbed tax depreciation*	258.97	285.31	-	544.28
Unabsorbed Capital Loss	25.89	-	-	25.89
Other temporary differences	(640.40)	319.77	-	(320.63)
	(1,336.91)	315.01	-	(1,021.90)

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Dhanuka Laboratories Ltd. New Delhi

Notes	Particulars	For the period ended March 31, 2020	For the year ended March 31, 2019
33	**Earnings per share**		
	Profit for the year attributable to owners of the Company	1,153.44	870.01
	Weighted average number of ordinary shares outstanding	1,384,660	1,114,660
	Weighted average number of ordinary shares outstanding for Diluted earnings per share	1,118,359	1,006,690
	Basic earnings per share (Rs)	83.30	78.05
	Diluted earnings per share (Rs)	103.14	86.42
34	**Earnings in foreign currency**		
	FOB value of exports	20,384.80	-
		20,384.80	**-**
35	**Expenditure in foreign currency (on accrual basis)**		
	Business Promotion	26.57	29.89
	Commission	1,369.50	604.70
	Travelling Expenses	5.02	7.12
	Interest on ECB	160.03	226.87
	Interest on Term Loan	-	2.00
	Interest on Buyer's Credit	2.43	46.65
	Misc Expenses	0.57	-
	Laboratory Expenses	-	0.58
	Computer Expenses	7.15	-
		1,571.28	**917.80**
36	**CIF value of imports**		
	Raw Materials and packing materials	17,757.80	17,829.04
	Capital goods	7.17	-
		17,764.97	**17,829.04**

37 **Value of imported and indigenous Raw material Consumed during the financial year and the percentage of each to the total consumption**

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
	Rs. In Lakhs	Percentage (%)	Rs. In Lakhs	Percentage (%)
Raw Materials and Packing Materials				
Imported	18,243.08	61.81	17,974.70	53.76
Others	11,270.05	38.19	15,461.47	46.24
	29,513.13	**100.00**	**33,436.17**	**100.00**
Stores, Spares and Consumable stores				
Imported	-	-	-	-
Others	161.04	100.00	134.42	100.00
	161.04	**100.00**	**134.42**	**100.00**

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Dhanuka Laboratories Ltd. New Delhi

38 Expenditure on Corporate Social Responsibility

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(a) Gross amount required to be spent by the company during the year:	20.40	31.14
(b) Amount spent during the year:	-	-
(i) Donations for sanitation of water and women education	0.50	-
(ii) Donation to The Akshya Patra Foundation for eradicating hungers	-	-
(iii) Donation and contributions for promoting health care including preventive health care for poor.	18.80	7.86
(iv) Donation to The Prime Minister Relief Fund	-	-
(iv) Donation for sports education	0.31	0.51
(v) Donation for Flood Relief in Kerala	-	0.60
	19.61	**8.97**

39 Disclosures required by the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 are as under *

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(a) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	7.81	9.49
(b) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	5.42	4.37
(c) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(d) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(e) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made		
Further interest remaining due and payable for earlier years		

*This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

40 Commitments and contingent liabilities

Particulars	Year Ended March 31, 2020	Year ended March 31, 2019
Contingent Liability		
Claims against the company not acknowledged as debts		-
- Income Tax Demand Pending in Apeal	90.10	41.64
- Sales Tax dispute pending before Sales Tax authorities for C form	13.48	189.85
- Demand under Customs at Kandla	14.64	14.64
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	42.59	1.58

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41 Operating Segments

The operations of the Company falls under a single primary segment i.e., "Pharmaceuticals" in accordance with Ind AS 108 "Operating Segments" and hence no segment reporting is applicable.

Information relating to geographical areas

(a) Revenue from external customers

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
India	20,383.34	19,487.80
Rest of the world	20,384.81	21,292.05
Total	**40,768.15**	**40,779.85**

(b) Non current assets

The manufacturing facilities of the Company is situated in India and no non-current assets are held outside India

(c) Information about major customers

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Number of external customers each contributing more than 10% of total revenue	-	-
Total revenue from the above customers	-	-

42 Operating lease arrangements

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
As Lessee The Company has operating lease arrangements for premises. These are non-cancellable leases and can be extended on mutually agreed terms. There are no restrictions imposed by lease agreements. There are no subleases.		
-Payable within one year	162.44	81.59
-Later than one year but not later than five years	153.16	54.08
-Later than five years		
Lease payments recognised in the Statement of Profit and Loss	156.52	148.25

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43 Terms and conditions of borrowings

Longterm borrowings

Indian rupee loan includes loan from Bajaj Finserv Limited carrying interest @10.00% p.a., repayable in 60 monthly instalments commencing on September 5 , 2019. The loan is secured by Pari Passu first charge on all immovable and movable assets with Fixed Asset Coverage Ratio of 1.5x , Shares of Dhanuka Agritech Limited upto 1.5x (30 Cr) to be pledged by the promoters till security perfection . The loan is additionally secured by personal guarantee of Directors of the Company.

Foreign currency loan includes loan from HSBC Mauritius and DBS Singapore

Loan from HSBC

The Company has taken two loans from the said bank which includes loan amounting to USD 6000000 disbursed in two tranches of USD 3000000 each taken on 24-09-2015 and USD 2000000 taken on 20-06-2017. The USD 3000000 loans carries interest @ LIBOR plus 160 Basic Points and the another loan of USD 2000000 carries interest @ LIBOR plus 160 Basic Points . These loans are repayable in 16 quarterly instalments commencing from the quarter beginning on July 15 , 2017, January 15 , 2018 ,and October 20 , 2018 respectively . Further These loans are secured by Pari Passu first charge secured by way of mortgage on Land & Building situated at Factory premises at Keshwana Rajasthan and 7KM old Manesar Road ,Gurgaon , First charge on all movable Fixed asset at Keshwana ,Rajasthan and 7 KM old Manesar Road Gurgaon . All the term loans are additionally secured by personal guarantee of Directors (M K Dhanuka , Manish Dhanuka , Arun Dhanuka , Arjun Dhanuka , Seema Dhanuka , Rahul Dhanuka, Urmila Dhanuka, Mridul Dhanuka , Pushpa Dhanuka) of the Company.

Loan from DBS

The company has taken loan amounting to USD 1500000 from the said bank sanctioned on 14-08-2016.The loan carries interest @ LIBOR plus 200 Basic Points. The loan is repayable in 16 quarterly installments commencing from the quarter beginning on April 15 , 2018. Further These loans are secured by Pari Passu first charge secured by way of mortgage on Land & Building situated at Factory premises at Keshwana Rajasthan and 7KM old Manesar Road ,Gurgaon , First charge on all movable Fixed asset at Keshwana ,Rajasthan and 7 KM old Manesar Road Gurgaon . All the term loans are additionally secured by personal guarantee of Directors (M K Dhanuka , Manish Dhanuka , Arun Dhanuka , Arjun Dhanuka , Seema Dhanuka , Rahul Dhanuka, Urmila Dhanuka, Mridul Dhanuka , Pushpa Dhanuka) of the Company.

Short term borrowings

The short term borrowings of the Company includes Cash Credit Limit from various banks namely HDFC, Indusind, DBS, HSBC, Yes Bank and The Hongkong and Shanghai Banking Corporation Ltd. and Working Capital Limit from HDFC, Indusind, DBS, HSBC and Yes Bank which are secured by hypothecation of Raw Material, Work-in-Progress, Finished Goods, Packing Material, Stores & Spares,and Book Debt of Company and by second charge on Land & Building, Plant & Machinery and other movable Fixed Assets. The borrowings from banks are additionally secured by personal guarantee of Directors of the Company.

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44 Financial Instruments

Capital management

The Company manages its capital to ensure that entities in the Company will be able to continue as going concern, while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity, long-term borrowings and other short-term borrowings.

For the purposes of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

Gearing Ratio:	March 31, 2020	March 31, 2019
Debt	4,969.85	4,600.64
Less: Cash and bank balances	618.73	296.12
Net debt	4,351.12	4,304.52
Total equity	17,620.47	13,518.33
Gearing ratio (%)	24.69%	31.84%

Categories of Financial Instruments	March 31, 2020	March 31, 2019
Financial assets		
a. Measured at amortised cost		
Other non-current financial assets	265.72	226.25
Trade receivables	7,979.68	8,898.65
Cash and cash equivalents	590.20	294.66
Bank balances other than above	28.53	1.46
b. Mandatorily measured at FVTOCI		
Investments	24,949.15	6,702.76
Financial liabilities		
a. Measured at amortised cost		
Borrowings (non-current)	3,180.76	2,954.05
Borrowings (current)	19,218.00	9,167.73
Trade payables	12,816.27	10,514.48

Financial risk management objectives

The treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimise the effects of these risks by using natural hedging financial instruments and forward contracts to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risk, the use of financial derivatives, and the investment of excess liquidity. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company actively manages its currency and interest rate exposure through its finance division, wherever required, to mitigate the risks from such exposures.

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Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company actively manages its currency rate exposures through a centralised treasury division and uses natural hedging principles to mitigate the risks from such exposures.

Disclosure of hedged and unhedged foreign currency exposure

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Particulars	Currency	As at March 31, 2020		As at March 31, 2019	
		Amount outstanding FCY	Amount outstanding INR	Amount outstanding FCY	Amount outstanding INR
Liabilities					
Unhedged foreign currency exposure					
Buyer's Credit	USD	-	-	15.28	1,059.46
Indusind Bank(FCNR)	USD	5.00	376.65	-	-
External Commercial Borrowings	USD	42.50	3,201.53	66.25	4,593.11
Trade Payable	USD	4,786.71	4,976.52	52.31	3,626.74
Hedged foreign currency exposure					
Assets					
Unhedged foreign currency exposure					
Trade Receivables	USD	28.56	2,150.71	53.50	3,708.01
EEFC Account Balance	USD	0.29	21.56	0.57	39.18
Foreign Currency in Hand	USD	0.02	0.00	-	-
Foreign Currency in Hand	EURO	0.00	0.00	-	-
Foreign Currency in Hand	Others	0.01	0.00	-	-
Advance to Vendor	EURO			0.11	8.72
Hedged foreign currency exposure					

Foreign currency sensitivity analysis

Movement in the functional currencies of the various operations of the Company against major foreign currencies may impact the Company's revenues from its operations. Any weakening of the functional currency may impact the Company's cost of imports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures. The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 2%, which represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 2% change in foreign currency rates.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because of the existing exchange earning capacity of the company on account of its EOU status (Export oriented undertaking) and higher proportion of earnings in foreign exchange through exports.

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Interest rate risk management

The Company is exposed to interest rate risk because it borrows funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied. Further, in appropriate cases, the Company also effects changes in the borrowing arrangements to convert floating interest rates to fixed interest rates.

Interest rate sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Credit risk management

Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables and from its financing/ investing activities, including deposits with banks and foreign exchange transactions. The Company has no significant concentration of credit risk with any counterparty.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure is the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, margin money and other financial assets excluding equity investments.

(a) Trade Receivables

The Company has credit evaluation policy for each customer and based on the evaluation, credit limit of each customer is defined. Wherever the Company assesses the credit risk as high, the exposure is backed by either bank guarantee/letter of credit or security deposits.

The Company does not have higher concentration of credit risks to a single customer. As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default in payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

(b) Investments, Cash and Cash Equivalents and Bank Deposits

Credit Risk on cash and cash equivalents, deposits with the banks/financial institutions is generally low as the said deposits have been made with the banks/financial institutions, who have been assigned high credit rating by international and domestic rating agencies.

Credit Risk on Derivative Instruments is generally low as the Company enters into the Derivative Contracts with the reputed Banks.

Investments of surplus funds are made only with approved banks/ financial institutions/ counterparty. Investments primarily include bank deposits, etc. These bank deposits and counterparties have low credit risk. The Company has standard operating procedures and investment policy for deployment of surplus liquidity, which allows investment in bank deposit and restricts the exposure in equity markets.

Offsetting related disclosures

Offsetting of cash and cash equivalents to borrowings as per the bank agreement is available only to the bank in the event of a default. Company does not have the right to offset in case of the counter party's bankruptcy, therefore, these disclosures are not required.

Liquidity risk management

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 invests its surplus funds in bank fixed deposits, which carry minimal mark to market risks. The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

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Liquidity tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

March 31, 2020	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	12,816.27	-	-	12,816.27
Borrowings (including interest accrued thereon upto the reporting date)	1,789.09	3,201.54	-	4,990.63
	14,605.36	3,201.54	-	17,806.90

March 31, 2019	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	10,514.48	-	-	10,514.48
Borrowings (including interest accrued thereon upto the reporting date)	1,646.59	2,954.05	-	4,600.64
	12,161.07	2,954.05	-	15,115.12

	March 31, 2020	March 31, 2019
Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):	Nil	Nil

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S.K. Sabh

Dhanuka Laboratories Ltd. New Delhi

45 Related party disclosure

a) List of parties having significant influence

Subsidiary Company	Dhanuka Pharmaceuticals Private Limited Orchid Pharma Limited Orchid Europe Limited, UK Orchid Pharmaceuticals Inc., USA Orgenus Pharma Inc., USA (Subsidiary of Orchid Pharmaceuticals Inc USA.) Orchid Pharma Inc / Karalex Pharma USA, (Subsidiary of Orchid Pharmaceuticals Inc, USA) Orchid Pharmaceuticals SA (Proprietary) Limited, South Africa Bexel Pharmaceuticals Inc., USA Diakron Pharmaceuticals Inc., USA
Key management personnel (KMP)	Mr. Manish Dhanuka (Managing Director) Mr. Arjun Dhanuka Director
Relatives of KMP	Mrs. Seema Dhanuka (Wife of Manish Dhanuka) Mr, Arun Kr. Dhanuka (Brother of Manish Dhanuka) Mr, Arun Kr. Dhanuka (Father of Arjun Dhanuka)
Entities in which relatives of KMP exercise significant influence	Dhanuka Agritech Limited (Enterprises over which KMP and their relatives have significant influence) Otsuka Chemical (India) Private Limted (Joint Venture) Synmedic Laboratories (98%) Parnership Firm Iko Overseas (98%) Parnership Firm

b) Transactions during the year

S.No.	Nature of transactions	Year ended March 31, 2020	Year ended March 31, 2019
1	Unsecured Loan Taken		
	Mr. Manish Dhanuka	443.49	334.00
	Mr. Arjun Dhanuka	159.20	249.00
	Mrs. Seema Dhanuka	31.00	235.00
	Mr. Arun Kr..Dhanuka	276.09	45.00
	Dhanuka Agritech Limited	4,500.00	2,700.00
2	Unsecured Loan Repaid		
	Mr. Manish Dhanuka	1,320.85	294.00
	Mr. Arjun Dhanuka	290.00	183.00
	Mrs. Seema Dhanuka	5.00	40.00
	Mr. Arun Kr..Dhanuka	565.35	297.55
	Dhanuka Agritech Limited	4,500.00	200.00
3	Interest Paid		
	Mr. Manish Dhanuka	209.51	202.57
	Mr. Arjun Dhanuka	20.14	20.40
	Mrs. Seema Dhanuka	42.49	27.15
	Mr. Arun Kr..Dhanuka	42.79	58.20
	Dhanuka Agritech Limited	2.71	3.70

Ashok Kumar Malhotra & Associates Noida Accountants

Dhanuka Laboratories Ltd. New Delhi

S.No.	Nature of transactions	Year ended March 31, 2020	Year ended March 31, 2019
4	**Sale of goods**		
	Otsuka Chemical (India) Private limited	4.55	-
	Synmedic Laboratories	115.51	78.06
5	**Purchase of Goods**		
	Otsuka Chemical (India) Private limited	5,766.56	5,614.22
	Synmedic Laboratories	736.06	105.07
	Dhanuka Agritech Limited	-	0.08
6	**Purchase of Capital Goods**		
	Dhanuka Agritech Limited	2.36	-
	Synmedic Laboratories	1.39	7.77
7	**Rent Paid**		
	Dhanuka Agritech Limited	0.28	0.57
8	**Rent Received**		
	Synmedic Laboratories	0.24	0.09
9	**Divident Received**		
	Otsuka Chemical (India) Private limited	-	47.31
10	**Remuneration and contribution to funds**		
	Mr. Manish Dhanuka	33.23	31.88
	Mr. Arjun Dhanuka	20.15	19.28
11	**Investment**		
	Orchid Pharma Limited	18,300.00	-

c) Balances at the end of the year

S.No.	Nature of transactions	As at March 31, 2020	As at March 31, 2019
1	**Sundry Debtors**		
	Synmedic Laboratories	-	0.15
	Orchid Pharma Limited	12.04	-
2	**Sundry Creditors**		
	Otsuka Chemical (India) Private limited	2,018.32	1,462.28
	Dhanuka Agritech Limited	2.24	-
	Synmedic Laboratories	-	10.62
3	**Unsecured Loans**		
	Mr. Manish Dhanuka	1,092.54	1,969.90
	Mr. Arjun Dhanuka	93.60	224.40
	Mrs. Seema Dhanuka	434.20	408.20
	Mr. Arun Kr..Dhanuka	61.51	350.76
	Dhanuka Agritech Limited	2,500.00	2,500.00
4	**Interest Accrued on Loans**		
	Mr. Manish Dhanuka	94.85	92.08
	Mr. Arjun Dhanuka	9.15	10.57
	Mrs. Seema Dhanuka	19.44	13.48
	Mr. Arun Kr..Dhanuka	20.08	25.16
5	**Rent Receivable**		
	Synmedic Laboaratoreis	0.33	0.09

Ashok Kumar Malhotra & Associates Chartered Accountants

Dhanuka Laboratories Ltd. New Delhi

46 Retirement benefit plans

Defined contribution plans

In accordance with Indian law, eligible employees of the Company are entitled to receive benefits in respect of Gratuity fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions, as specified under the law, are made to the Provident fund, Gratuity fund, Superannuation fund as well as Employee State Insurance Fund.

Defined benefit plans

(a) Gratuity

Gratuity is payable as per Payment of Gratuity Act, 1972. In terms of the same, gratuity is computed by multiplying last drawn salary (basic salary including dearness Allowance if any) by completed years of continuous service with part thereof in excess of six months and again by 15/26. The Act provides for a vesting period of 5 years for withdrawal and retirement and a monetary ceiling on gratuity payable to an employee on separation, as may be prescribed under the Payment of Gratuity Act, 1972, from time to time. However, in cases where an enterprise has more favourable terms in this regard the same has been adopted.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	March 31, 2020	March 31, 2019
Discount Rate	6.82% (Indicative G.Sec referenced on 31-03-2020)	7.78% (Indicative G.Sec referenced on 29-03-2019)
Rate of increase in compensation level	7.00%	7.00%
Retirement Age	60 Years	60 Years
Mortality	Indian Assured Lives Mortality (2006-08) (Ultimate)	Indian Assured Lives Mortality (2006-08) (Ultimate)

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

Ashok Kumar Malhotra & Associates Chartered Accountants

Dhanuka Laboratories Ltd. New Delhi

Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:	March 31, 2020 Rs. Lakhs	March 31, 2019 Rs. Lakhs
The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:		
Present Value of Benefit Obligation at the Beginning of the Period	273.51	231.55
Interest Cost	21.28	18.22
Current Service Cost	30.77	31.26
Past Service Cost	-	-
Benefit Paid From the Fund	(7.38)	(6.48)
The Effect Of Changes in Foreign Exchange Rates	-	-
Actuarial (Gains)/Losses on Obligations -	-	-
Due to Change in Demographic Assumptions	2.47	-
Due to Change in Financial Assumptions	31.33	2.80
Due to Experience	(11.00)	(3.85)
Present Value of Benefit Obligation at the End of the Period	**340.99**	**273.51**

Fair Value of Plan Assets		
Fair Value of Plan Assets at the Beginning of the Period	353.30	331.48
Interest Income	27.49	26.09
Contributions by the Employer	-	-
(Benefit Paid from the Fund)	(7.38)	(6.48)
The Effect of Changes In Foreign Exchange Rates	-	-
Return on Plan Assets, Excluding Interest Income	(20.90)	2.21
Fair Value of Plan Assets at the End of the Period	**352.50**	**353.30**
Present value of defined benefit obligation	340.99	273.51
Fair value of plan assets	(352.50)	(353.20)
Net liability/ (asset) arising from defined benefit obligation	**(11.51)**	**(79.69)**
Funded	(11.51)	(79.69)
Unfunded	-	-
	(11.51)	**(79.69)**
Current Liability	(11.51)	(79.69)
Non - Current Liability	-	-

Since the value of planned assets is greater than present value of obligation as on reporting period, the Company has not created any liability in the books of accounts.

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Dhanuka Laboratories Ltd. New Delhi

Sensitivity analysis

In view of the fact that the Company for preparing the sensitivity analysis considers the present value of the defined benefit obligation which has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

(b) Compensated absences

The leave scheme is a final salary defined benefit plan, that provides for a lumpsum payment at the time of separation; based on scheme rules the benefits are calculated on the basis of last drawn salary and the leave count at the time of separation and paid as lumpsum.

The design entitles the following risk

Interest rate risk	The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
Salary inflation risk	Higher than expected increases in salary will increase the defined benefit obligation.
Demographic risk	This is the risk of volatility of results due to unexpected nature of decrements that include mortality attrition, disability and retirement. The effects of these decrement on the DBO depends upon the combination salary increase, discount rate, and vesting criteria and therefore not very straight forward. It is important not to overstate withdrawal rate because the cost of retirement benefit of a short caring employees will be less compared to long service employees.

Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:	**March 31, 2020** Rs. Lakhs	**March 31, 2019** Rs. Lakhs
The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:		
Present value of defined benefit obligation	137.72	113.51
Net liability/ (asset) arising from defined benefit obligation	**137.72**	**113.51**
Funded	-	-
Unfunded	137.72	113.51
	137.72	**113.51**
Current Liability	22.07	17.91
Non - Current Liability	115.66	95.60

The above provisions are reflected under 'Provision for employee benefits- leave encashment' (long-term provisions) [Refer note 18] and 'Provision for employee benefits - leave encashment' (short-term provisions) [Refer note 22].

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47 First Time Adoption of Ind AS

These Financial statements, for the year ended 31 March 2018, have been prepared in accordance with Ind AS, for the purposes of transition to Ind AS, the company has followed the guidance prescribed in Ind AS 101- First time adoption of Indian Accounting Standards, with 1st April, 2016 as the transition date.

Accordingly, the company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2020, together with the comparative period data as at and for the year ended 31 March 2019. In preparing these financial statements, the company's opening balance sheet was prepared as at 1 April 2018, the date of transition to Ind AS.

Ind AS 101- First time adoption of Indian accounting standards requires the company to reconcile equity, total comprehensive income and cash fows for previous years. The following reconciliations provide the explanations and quanti · cationof the differences arising from the transition from previous GAAP to Ind AS in accordance with Ind AS 101.

Exemptions and exceptions availed:
Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

a. Ind AS optional exemptions:
Ind AS 101 allow First-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The company has applied the following exemptions:

i. **Property, plant and equipment & Intangible assets**
Ind AS 101 permits a First-time adopter to elect to or continue with the carrying value for all of its Property, Plant and Equipment & Intangible Assets as recognized in the Financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. Accordingly, the company has elected to measure all of its Property, Plant and Equipment & Intangible Assets at their previous GAAP carrying value.

ii. **Investment in subsidiaries, joint ventures andassociate**
Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its investment in subsidiaries, joint ventures and associate as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. h, the Company however elected to measure its investments in subsidiary at FVTPL.

b. Ind AS Mandatory exemptions:

i. **Etimates**
An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should reflect condition that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind-AS). Ind AS estimates as at 1 April 2018 are consistent with the estimates as at the same date made in conformity with previous GAAP.

ii. **Classification and Measurement of Financial Assets**
Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortized cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortized cost has been done retrospectively except where the same is impracticable.

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Dhanuka Laboratories Ltd. New Delhi

iii. **Derecognition of Financial Assets and Liabilities**

As per Ind AS 101, an entity should apply the derecognition requirements in Ind AS 109, Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS. However, an entity may apply the derecognition requirements retrospectively from a date chosen by it if the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognized as a result of past transactions was obtained at the time of initially accounting for those transactions.

The company has elected to apply the derecognition principles of Ind AS 109 prospectively.

c. **Reconciliations:**

i. **Reconciliations of equity:**

Particulars	As at March 31, 2019	As at April 01, 2018
Total equity / shareholders' funds as per Indian GAAP	12,571.05	10,586.53
Ind AS Adjustments		
Impact of Fair valuation of Investments	1,068.87	2,115.07
Impact of Fair valuation PPE	(346.08)	-
Impact of Fair valuation of Leave benefits Liability	39.03	-
Impact of Straight Lining of Lease Rental Expense	(2.68)	(1.68)
Impact of Amortised Cost on Term Loans and ECB Loans	95.75	180.13
Impact of Fair valuation of Security Deposits	1.80	0.85
Deferred Tax impacts	90.59	(379.32)
(Net deferred tax impact on remeasurement as per Ind AS)		
Total Ind AS Adjustments	947.28	1,915.05
Total equity as per Ind AS	13,518.33	12,501.58
	-	-

d. **Notes to first time adoption**

1 **Security deposits**

Under Indian GAAP, interest free security deposits given under lease arrangements were recorded at transaction value. Under Ind AS, the deposits are initially fair valued and subsequently measured at amortised cost. The difference between the transaction and fair value is recognised as prepaid rent and is amortized over the period of the lease term (along with current and non-current classification). Further, interest is accreted on the fair value of the security deposits.

2 **Deferred tax**

Under Indian GAAP, deferred taxes were recognized using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. In addition, the various transitional adjustments has led to temporary differences. Accordingly, Company has accounted for deferred tax on such differences in retained earnings.

3 **Re-measurement of defined benefit obligations**

Under Previous GAAP, re-measurements i.e. actuarial gains and losses and the return on plan assets (excluding amounts included in the net interest expense on the net defined benefit liability) were recognised in employee benefit expenses. Under Ind AS, such re-measurements are recognised in other comprehensive income (OCI).

4 **Other comprehensive income**

Under Previous GAAP, the Company has not presented other comprehensive income (OCI) separately. Items of income and expense that are recognised in "other comprehensive income" includes remeasurements of defined benefit plans. Further, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

Ashok Kumar Malhotra & Associates Noida

S.K. Sethi

Dhanuka Laboratories Ltd. New Delhi

5 Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows. Therefore, no reconciliation of cash flows has been presented.

48 **Re-classifications**

Security deposits

Under Indian GAAP, security deposits given were classified as non-current. Under Ind AS, the Company has ascertained that certain security deposits are current in nature since the corresponding arrangements against which the deposits were given have expired subsequent to reporting date. Therefore, the Company has re-classified such security deposits to other current financial assets since the Company expects to recover the amounts within next twelve months.

49 **Events after the reporting period**

There are no significant reportable events occurring after the reporting period.

Dhanuka Laboratories Ltd. New Delhi

50 The Company is in the process of carrying out a comprehensive confirmation and reconciliation of receivables, loans and advances given, payables, bank balances and other financial assets, the claims received from the employees, financial creditors (including excess/ short provision of interest, non-provision of penal interest by the Company considering the agreement reached by the joint lenders meeting) and operational creditors with the books of account.

Further, the Company is in the process of carrying out physical verification of fixed assets/ related reconciliation with the books of account and reconciliation of restatement account of foreign currency assets and liabilities

Pending completion of the aforesaid comprehensive reconciliation, the possible impact, if any, is not presently determinable. Accordingly, no adjustment has been made in the financial statements.

51 Section 115BAA has been inserted in the Income Tax Act,1961 to give the benefit of a reduced corporate tax rate for the domestic companies. Section 115BAA states that domestic companies have the option to pay tax at a rate of 22% plus surcharge of 10% and cess of 4%. The Effective Tax rate being 25.17% from the FY 2019-20 (AY 2020-21) onwards if such domestic companies adhere to certain conditions specified. The company need not pay tax under MAT if it opts for Section 115BAA.

The Company has opted for section 115BAA of Income Tax Act, 1961 consequently entire MAT credit has been reversed in the current financial year amounting to Rs.244.45.

52 During the year under review, the Company has incorporated a special purpose vehicle in the form of Company namely "Dhanuka Pharmaceuticals Private Limited" ("DPPL")which was registered under the Companies Act, 2013 in accordance with the Resolution Plan of Orchid Pharma Limited which was approved by Hon'ble National Company Law Tribunal ("NCLT"), Chennai Bench,.

Further, DPPL was a Wholly Owned Subsidiary of the Company as the Company(along with its nominees) holds 10,000 Equity Shares of the DPPL at Face Value of Rs. 10 each, and the DPPL shall subsequently amalgamated into Orchid Pharma Limited w.e.f 31.03.2020 in accordance with the Resolution Plan.

53 The Hon'ble National Company Law Tribunal ("NCLT"), Chennai Bench, admitted the Corporate Insolvency Resolution Process ("CIRP") application filed by an operational creditor of Orchid Pharma Limited ("the Company") and appointed an Interim Resolution Professional ("IRP"), in terms of the Insolvency and Bankruptcy Code, 2016 ("the Code") to manage the affairs of the Company vide CP.No. CP/ 540/ (IB)/ CB/ 2017, dated August 17, 2017. Subsequently, Mr. Ramkumar Sripatham Venkatasubramanian (IP Registration no. IBBI/IPA-001/IP-P00015/2016-17/10039) was appointed as the Resolution Professional ("RP") of the Company, by an order of NCLT with effect from October 27, 2017.

The Resolution Plan in favour of Dhanuka Laboratories Limited was approved by the Hon'ble NCLT vide its order dated 27th June 2019. However, on an appeal filed by one of the unsuccessful resolution applicants, the Hon'ble National Company Law Appellate Tribunal ("NCLAT") stayed the implementation of the resolution plan until further orders and on November 13, 2019, had set aside the approved resolution plan of Dhanuka Laboratories Limited.

State Bank of India, one of the COC member, preferred an appeal against the impugned order of the Hon'ble NCLAT before the Hon'ble Supreme Court of India and the Apex Court on February 28, 2020 has upheld the Order dated June 27, 2019 of NCLT, Chennai and set aside the Order dated November 13, 2019 of NCLAT.

Accordingly, Dhanuka Laboratories Limited has acquired the Orchid Pharma Limited during the year w.e.f 31.03.2020.

As per our report of even date attached
For Ashok Kumar Malhotra & Associates
Chartered Accountants
Firm Registration No.014498C

Ashok Kumar Malhotra
Proprietor
Membership No.082258

Place : Delhi
Date : 29th Dec, 2020

For and on behalf of the board

Arun Kumar Dhanuka
Director
Date : 29th Dec, 2020

Manish Dhanuka
Director
Date : 29th Dec, 2020

Sunil Gupta
CFO
Date : 29th Dec, 2020

Pavitra Mishra
Company Secratory
Date : 29th Dec, 2020
A-59114

Dhanuka Laboratories Limited

Standalone Balance Sheet as at March 31, 2021

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	4	11,808.39	12,499.07
(b) Financial Assets			
(I) Investments	5	23,113.26	24,949.16
(II) Other Financial Assets	6	274.69	265.72
Total Non-Current Assets		**35,196.34**	**37,713.95**
Current Assets			
(a) Inventories	7	9,050.52	8,240.44
(b) Financial Assets			
(i) Trade Receivables	8	7,231.01	7,979.67
(ii) Cash and Cash Equivalents	9	42.09	590.19
(iii) Bank Balances other than above	10	30.50	28.53
(iv) Other Financial Assets	11	12.15	39.60
(c) Current Tax Assets (net)	12	8.84	241.31
(d) Other Current Assets	13	2,940.62	2,142.50
Total Current Assets		**19,315.73**	**19,262.24**
Total Assets		**54,512.08**	**56,976.19**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	14	1,384.66	1,384.66
(b) Other Equity	15	15,063.94	16,235.80
Total Equity		**16,448.60**	**17,620.46**
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	203.60	3,180.76
(b) Provisions	17	120.40	115.66
(c) Deferred Tax Liability (Net)	18	1,031.89	992.13
Total Non-Current Liabilities		**1,355.89**	**4,288.55**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	25,980.66	19,218.00
(ii) Trade Payables	20	8,828.73	12,816.28
(b) Short Term Provisions	21	31.57	121.34
(c) Other Current Liabilities	22	1,866.63	2,911.56
Total Current Liabilities		**36,707.59**	**35,067.18**
Total Liabilities		**38,063.48**	**39,355.73**
Total Equity and Liabilities		**54,512.08**	**56,976.19**
		-	-

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For Ashok Kumar Malhotra & Associates
Chartered Accountants
Firm Registration No.014498C

Ashok Kumar Malhotra & Associates Chartered Accountants

Ashok Kumar Malhotra
Proprietor
Membership No.082258
Place : Delhi
Date : 22/10/2021
UDIN: 21082258AAAABB4636

For and on behalf of the board

Manish Dhanuka
Managing Director
DIN: 00238798
Date : 22/10/2021
Place : Delhi

Arjun Dhanuka
Director
DIN: 00454689
Date : 22/10/2021
Place : Delhi

Dhanuka Laboratories Ltd. New Delhi

Sunil Gupta
CFO
Date : 22/10/2021
Place : Delhi

Pavitra Mishra
Company Secretory
Membership No.059114
Date : 22/10/2021
Place : Delhi

Dhanuka Laboratories Limited

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

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Notes	For the year ended, March 31, 2021	For the year ended, March 31, 2020
Continuing Operations			
(A) Income			
Revenue From Operations	23	38,157.12	40,768.14
Other Income	24	579.01	1,150.95
Total Income		**38,736.13**	**41,919.09**
(B) Expenses			
Cost of Materials Consumed	25	29,403.04	29,472.04
Changes in Inventories of Finished Goods and Work in Progress	26	(841.49)	(640.00)
Employee Benefits Expense	27	1,706.11	1,884.57
Finance Costs	28	2,250.67	1,143.89
Depreciation and Amortisation Expense	29	785.11	803.98
Other Expenses	30	6,527.01	7,793.48
Total Expenses		**39,830.45**	**40,457.96**
(C) Profit/ (Loss) Before Exceptional Items and Tax		**(1,094.32)**	**1,461.13**
Exceptional Items - Income / (Expenses)	31	(37.78)	6.27
(D) Profit/ (Loss) Before Tax From Continuing Operations		(1,132.10)	1,467.40
Income Tax Expense	32		
Current Tax		-	99.27
Deferred Tax Charge/ (Credit)		39.75	(29.78)
Mat Credit Entitlement		-	244.45
(E) Profit/ (Loss) For The Year from Continuing Operations		**(1,171.85)**	**1,153.46**
(F) Profit/ (Loss) from Disontinued Operations		-	-
(G) Tax Expenses of Disontinued Operations		-	-
(H) Profit/ (Loss) from Disontinued Operations (after tax) [(F)-(G)]		-	-
(I) Profit/ (Loss) For The Year [(E)+(H)]		**(1,171.85)**	**1,153.46**
(J) Other comprehensive income		-	-
Total comprehensive Income/ (Loss) for the year		**(1,171.85)**	**1,153.46**
Earnings per share (for discontinued & continuing operation)	33		
Basic earnings per share		(84.63)	83.30
Diluted earnings per share		(84.63)	103.13

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For Ashok Kumar Malhotra & Associates
Chartered Accountants
Firm Registration No.014498C

Ashok Kumar Malhotra & Associates Chartered Accountants Noida

Ashok Kumar Malhotra
Proprietor
Membership No.082258
Place : Delhi
Date : 22/10/2021
UDIN: 21082258AAAABB4636

For and on behalf of the board

Manish Dhanuka
Managing Director
DIN: 00238798
Date : 22/10/2021
Place : Delhi

Arjun Dhanuka
Director
DIN: 00454689
Date : 22/10/2021
Place : Delhi

Dhanuka Laboratories Ltd. New Delhi

Sunil Gupta
CFO
Date : 22/10/2021
Place : Delhi

Pavitra Mishra
Company Secretory
Membership No.059114
Date : 22/10/2021
Place : Delhi

Dhanuka Laboratories Limited

Statement of Standalone cash flows for the year ended March 31, 2021

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	For the year ended, March 31, 2021	For the year ended, March 31, 2020
Cash Flow From Operating Activities		
Profit/ loss before income tax	(1,094.32)	1,461.11
Adjustments for		
Depreciation and amortisation expense	785.11	803.97
Ind AS Adjustment	-	(1,052.70)
(Profit)/ loss on sale of fixed assets	-	(0.19)
Share of Loss from Partnership firm	1,212.15	903.88
Finance costs	2,250.67	1,143.89
Interest income	(4.65)	(6.04)
	3,148.96	**3,253.92**
Change in operating assets and liabilities		
(Increase)/ decrease in Other financial assets	18.49	18.82
(Increase)/ decrease in inventories	(810.09)	(962.19)
(Increase)/ decrease in trade receivables	748.66	918.97
(Increase)/ decrease in Other assets	(796.92)	468.11
Increase/ (decrease) in provisions and other liabilities	(1,000.97)	488.07
Increase/ (decrease) in trade payables	(3,987.56)	2,301.80
Cash generated from operations	**(2,679.43)**	**6,487.50**
Less : Income taxes paid (net of refunds)	95.41	(376.59)
Net cash from operating activities (A)	**(2,584.02)**	**6,110.91**
Cash Flows From Investing Activities		
Purchase of PPE (including changes in CWIP)	(117.08)	(121.36)
Sale proceeds of PPE	22.66	8.28
Disposal proceeds of Investments	-	1,993.66
Purchase of Investments	1,835.89	(20,240.06)
(Investments in)/ Maturity of fixed deposits with banks	(1.98)	(27.07)
Share of Loss from Partnership firm	(1,212.15)	(903.88)
Interest received	3.46	4.73
Net cash used in investing activities (B)	**530.80**	**(19,285.70)**
Cash Flows From Financing Activities		
Proceeds from issue of equity share capital	-	4,001.40
Proceeds from Borrowings	13,081.72	25,734.70
Repayment of Borrowings	(9,896.61)	(15,315.22)
Finance costs	(1,679.99)	(950.57)
Net cash from/ (used in) financing activities (C)	**1,505.12**	**13,470.31**
Net increase/decrease in cash and cash equivalents (A+B+C)	**(548.10)**	**295.53**
Cash and cash equivalents at the beginning of the financial year	**590.19**	**294.66**
Cash and cash equivalents at end of the year	**42.09**	**590.19**

Notes:

1. The above cash flow statement has been prepared under indirect method prescribed in Ind AS 7 "Cash Flow Statements".
2. Components of cash and cash equivalents

Balances with banks		
- in current accounts	19.06	567.75
- in fixed deposit with original maturity of less than 3 months	19.62	18.40
Cash on hand	3.41	4.04
Cash and cash equivalents at end of the year	**42.09**	**590.19**

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For Ashok Kumar Malhotra & Associates
Chartered Accountants
Firm Registration No.014498C

Ashok Kumar Malhotra & Associates Chartered Accountants Noida

Ashok Kumar Malhotra
Proprietor
Membership No.082258
Place : Delhi
Date : 22/10/2021
UDIN: 21082258AAAABB4636

For and on behalf of the board

Manish Dhanuka
Managing Director
DIN: 00238798
Date : 22/10/2021
Place : Delhi

Arjun Dhanuka
Director
DIN: 00454689
Date : 22/10/2021
Place : Delhi

Dhanuka Laboratories Ltd. New Delhi

Sunil Gupta
CFO
Date : 22/10/2021
Place : Delhi

Pavitra Mishra
Company Secretory
Membership No.059114
Date : 22/10/2021
Place : Delhi

1. Corporate Information

Dhanuka Laboratories Limited ("the Company") is a public company domiciled in India and incorporated on February 24th, 1993 under the provisions of the Companies Act applicable in India. The registered office of the company is located at New Delhi and is one of the leading pharmaceutical companies in India head quartered in Delhi and involved in the manufacture and marketing of diverse bulk actives and formulations of various drugs.

2. Basis of preparation of financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ('the Act') as amended through rules and other relevant provisions of the Act to the extent applicable.

These financial statements were authorized for issue by the Board of Directors on October 22, 2021.

(b) Basis of measurement

The financial statements have been prepared on an accrual basis and under the historical cost convention, except for the following:

(i) Certain financial assets and liabilities that is measured at fair value;

(ii) Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments);

(iii) Defined benefit plans - plan assets measured at fair value.

(c) Functional Currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). The financial statements are presented in Indian National Rupee ('INR'), which is the Company's functional and presentation currency. All amounts have been rounded to the nearest lacs, unless otherwise indicated.

(d) Current or Non-current classification

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

Ashok Kumar Malhotra & Associates Chartered Accountants Noida

Dhanuka Laboratories Ltd. New Delhi

(e) Use of Judgments and estimates

In preparing the financial statements, the Management has to make certain assumptions and estimates that may substantially impact the presentation of the Company's financial position and/ or results of operations.

Such assumptions and estimates mainly relate to the useful life of Property, Plant and Equipment, Intangible Assets, Recognition of deferred tax, and the recognition of provisions, including those for litigation and impairment, employee benefits and sales deductions.

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Although the Company regularly assesses these estimates, actual results may differ from these estimates. Changes in estimates are recorded in the periods in which they become known.

3. Significant Accounting Policies

The Company has consistently applied the following accounting policies to all periods presented in the financial statements:-

(a) Property, plant and equipment

I. Recognition and measurement

Property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, after deducting trade discount and rebates, and including import duties, non-refundable purchase taxes, any directly attributable cost of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials, direct labour and any directly attributable cost of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are included in cost to the extent they relate to the period till such assets are ready for its intended use.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. The cost of replacing part of an item of property, plant and equipment or major inspections performed, are recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of all other repairs and maintenance are recognized in the Statement of Profit & Loss as incurred.

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Capital work-in-progress includes cost of property, plant and equipment under installation / under construction as at the balance sheet date.

An item of property, plant and equipment is derecognized when no future economic benefits are expected to arise from the continued use of the asset or upon disposal. Any gain or loss on disposal is recognized in statement of profit & loss.

II. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values, recognized in the statement of profit and loss. Depreciation on property, plant and equipment is provided on Straight Line Method (SLM) at the rate and in the manner based on the useful life of the assets as estimated by the management which coincide with the useful life specified under Schedule II of the Companies Act, 2013, which are as follows:

Building including factory building:	30 years
General plant and machinery:	20 years
Furniture and Fittings:	10 years
Vehicles:	08 years
Computers and data processing units:	03 years
Electrical Equipment's:	10 years
Office Equipment:	05 years
Laboratory Equipment:	10 years

Depreciation methods, useful lives and residual values are reviewed at each financial year end and changes, if any, are accounted for prospectively. Depreciation on additions to or on disposal of assets is calculated on pro-rata basis i.e. from (upto) the date on which the property, plant and equipment is available for use (disposed off).

(b) Intangible assets

I. Recognition and measurement

Intangible Assets are recognized, if the future economic benefits attributable to the assets are expected to flow to the company and cost of the asset can be measured reliably. All other expenditure is expensed as incurred.

Intangible assets are measured at cost less any accumulated amortization and impairment losses, if any and are amortized over their respective individual estimated useful life on straight line method. It is amortized from the point at which the asset is available for use.

Cost of an item of intangible asset comprises its purchase price, after deducting trade discount and rebates, and including import duties, non-refundable purchase taxes, and any directly attributable cost of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period and adjusted prospectively, if appropriate.

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Dhanuka Laboratories Ltd. New Delhi

An intangible asset is derecognized when no future economic benefits are expected to arise from the continued use of the asset or upon disposal. Any gain or loss on disposal is recognized in statement of profit & loss.

(c) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the assets recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash flows are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units ('CGUs'). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss.

In respect of assets for which impairment loss has been recognized in prior periods, the company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. After impairment, depreciation or amortization is provided on the revised carrying amount of the assets over its remaining useful life.

(d) Financial instruments

I. Initial Recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially recognized at fair value plus transaction costs directly attributable to its acquisition. The transaction costs incurred for the purchase of financial assets held at fair value through profit and loss are expensed in the statement of profit and loss immediately.

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II. Subsequent measurement

(A) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. When the financial asset is derecognized or impaired, the gain or loss is recognized in the statement of profit and loss.

(B) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in statement of profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to the statement of profit and loss.

Equity instruments are subsequently measured at fair value. On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment by investment basis. Fair value gains and losses recognized in OCI are not reclassified to the statement of profit and loss.

(C) Financial assets at fair value through profit and loss

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

(D) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts is approximate to the fair value due to the short maturity of these instruments.

(E) Investment in subsidiaries

Investment in subsidiaries is carried at cost less impairment, if any, in the financial statements.

III. Impairment of financial assets

The company assesses on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost and FVOCI debt instruments. Except trade receivables, expected credit losses are measured at an amount equal to the twelve-month expected credit loss unless there has been a significant increase in credit risk from initial recognition, in which case those are measured at lifetime ECL.

In case of trade receivables, the Company follows the simplified approach which requires expected lifetime losses to be recognized from the initial recognition of the trade receivables. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

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Dhanuka Laboratories Ltd. New Delhi

IV. Derecognition

(i) Financial Assets

Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

(ii) Financial Liabilities

The company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expired.

V. Reclassification of Financial Assets and Financial Liabilities

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. If the company reclassifies financial assets, it applies prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

VI. Derivative financial instruments

The company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risk. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re- measured at fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are recognized immediately in the statement of profit and loss.

VII. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the company has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(e) Fair Value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using other valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

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Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the company has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Level 1-This includes financial instruments measured using quoted prices (Unadjusted) in active markets for identical assets and liabilities.

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

Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(f) Inventories

Inventories (including Stock-in-transit) of Finished Goods, Stock in Trade, Work in progress, Raw materials, packing materials and Stores & Spares are stated at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Cost includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition. Net realizable 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.

Cost of Raw Materials, Packing Materials, Stores and Spares, Stock in Trade and other products are determined on First in first out (FIFO) basis and are net of GST.

Cost of Work in progress and Finished Goods is determined on First in first out (FIFO) basis considering direct material cost and appropriate portion of manufacturing overheads based on normal operating capacity.

Obsolete, slow moving and defective inventories are identified at the time of physical verification of inventories and wherever necessary, the same are written off or provision is made for such inventories. Finished goods and work in progress are written down if anticipated net realizable value declines below the carrying amount of the inventories and such write down to inventories are recognized in statement of profit & loss. When reason for such write down ceases to exists, then write down is reversed through statement of profit and loss account.

(g) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized if, as a result of a past event, the company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks

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Dhanuka Laboratories Ltd. New Delhi

specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent Liability is disclosed after careful evaluation of facts, uncertainties and possibility of reimbursement, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities are not recognized but are disclosed in notes.

Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable.

(h) Revenue Recognition

I. Sale of goods

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognized when the significant risk and rewards of ownership have been transferred to the customer and it is probable that the economic benefits associated with the transaction will flow to the company. The amount of revenue and associated costs can be measured reliably. Amounts disclosed as revenue are net of GST, sale returns, trade discounts and volume rebates.

Incentives on exports are recognized in books after due consideration of certainty of utilization/ receipt of such incentives.

II. Sale of Services

Revenue from sale of services is recognized as per the terms of the contract with customers based on the stage of completion when the outcome of the transactions involving rendering of services can be estimated reliably.

III. Interest Income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition. Interest income is included in other income in the statement of profit and loss.

IV. Dividends

Dividend income is recognized when the Company's right to receive dividend is established, and is included in other income in the statement of profit and loss.

(i) Employee Benefits

I. Short Term Employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

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Dhanuka Laboratories Ltd. New Delhi

II. Defined contribution plans

Employees benefits in the form of the Company's contribution to Provident Fund, Pension scheme, Superannuation Fund, National Pension scheme and Employees State Insurance are defined contribution schemes. The Company recognizes contribution payable to these schemes as an expense, when an employee renders the related service.

If the contribution payable exceeds contribution already paid, the deficit payable is recognized as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the end of the reporting period, the Company recognize that excess as an asset (prepaid expense) to the extent that the prepayment will lead to reduction in future payments or a cash refund.

III. Defined benefit plans

Retirement benefits in the form of gratuity are considered as defined benefit plans. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The company provides for its gratuity liability based on actuarial valuation of the gratuity liability as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary. The company contributes to the gratuity fund, which are recognized as plan assets. The defined benefit obligation as reduced by fair value of plan assets is recognized in the Balance Sheet.

When the calculation results in a potential asset for the company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in Other Comprehensive Income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognized in statement of profit & loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in statement of profit & loss. The company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

IV. Other long-term employee benefits

Employee benefits in the form of long-term compensated absences are considered as long-term employee benefits. The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurement are recognized in statement of profit & loss in the period in which they arise.

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The liability for long term compensated absences are provided based on actuarial valuation as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary.

(j) Foreign currency transactions

The financial statements are presented in Indian rupee, which is the company's functional and presentation currency. A company's functional currency is that of the primary economic environment in which the company operates.

Foreign currency transactions are translated into the functional currency using the exchange rate at the date of the transaction. Foreign exchange gains/losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in the statement of profit and loss.

(k) Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

(l) Income Tax

Income tax expense comprises current and deferred tax. It is recognized in statement of profit & loss except to the extent that it relates to items recognized directly in equity or in Other Comprehensive Income.

I. Current Tax

Current tax comprises the expected tax payable on the taxable income for the year after taking credit of the benefits available under the Income Tax Act and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if, the Company:

a) has a legally enforceable right to set off the recognized amounts; and
b) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

II. Deferred Tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences. In contrast, deferred tax assets are only recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized.

The carrying value of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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Deferred tax is measured at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized based on the tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to cover or settle the carrying value of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

(i) The entity has a legally enforceable right to set off current tax assets against current tax liabilities, and
(ii) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.
Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability.

(m) Operating Segment
An operating segment is defined as a component of the entity that represents business activities from which it earns revenues and incurs expenses and for which discrete financial information is available. The operating segments are based on the company's internal reporting structure and the manner in which operating results are reviewed by the Chief Operating Decision Maker (CODM).

(n) Cash and cash equivalents
Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(o) Statement of cash flows
Cash flow statements are prepared in accordance with "Indirect Method" as explained in the Ind AS on Statement of Cash Flows (Ind AS - 7). The cash flows from operating, financing and investing activity of the company are segregated.

(p) Lease
The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

(q) Finance Lease
Finance Lease that transfer substantially all of the risks and benefits incidental to ownership of the leased item, are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss. A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain ownership by the end of the

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Dhanuka Laboratories Ltd. New Delhi

lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

(r) Operating Lease

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. Payments under operating lease are recorded in the Statement of profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

(s) Earnings Per Share

The basic earnings per share are computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

(t) Research and Development Expenses

Research and Development Expenses of revenue nature are charged to the Statement of profit and Loss.

Ashok Kumar Malhotra & Associates Chartered Accountants Noida

Dhanuka Laboratories Ltd. New Delhi

Dhanuka Laboratories Limited

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

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

(A) Equity Share Capital

Particulars	As at March 31, 2021		As at March 31, 2020	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting period	13,84,660	1,384.66	11,14,660	1,114.66
Changes in equity share capital during the year	-	-	2,70,000	270.00
Balance at the end of the reporting period	13,84,660	1,384.66	13,84,660	1,384.66

(B) Other Equity

Particulars	Securities Premium Reserve	General Reserve	Capital Redemption Reserve	Other Comprehensive Income	Profit and Loss Account	Total
Balance as at March 31,2019	**1,389.29**	**367.84**	**195.05**	**-**	**10,451.51**	**12,403.69**
Total Comprehensive Income for the year	-	-	-	-	1,153.41	1,153.41
Additions/ (deductions) during the year	3,731.40	-	-	-	(1,052.70)	2,678.70
Balance as at March 31, 2020	**5,120.69**	**367.84**	**195.05**	**-**	**10,552.22**	**16,235.80**
Total Comprehensive Income for the year	-	-	-	-	(1,171.86)	(1,171.86)
Additions/ (deductions) during the year	-	-	-	-	-	-
Balance as at March 31, 2021	**5,120.69**	**367.84**	**195.05**	**-**	**9,380.36**	**15,063.94**

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For Ashok Kumar Malhotra & Associates
Chartered Accountants
Firm Registration No.014498C

Ashok Kumar Malhotra
Proprietor
Membership No.082258
Place : Delhi
Date : 22/10/2021
UDIN: 21082258AAAABB4636

For and on behalf of the board

Manish Dhanuka
Managing Director
DIN: 00238798
Date : 22/10/2021
Place : Delhi

Arjun Dhanuka
Director
DIN: 00454689
Date : 22/10/2021
Place : Delhi

Sunil Gupta
CFO
Date : 22/10/2021
Place : Delhi

Pavitra Mishra
Company Secretory
Membership No.059114
Date : 22/10/2021
Place : Delhi

Dhanuka Laboratories Limited

Notes to the Standalone financial statements for the year ended March 31, 2021

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

4 Property, plant and equipment

Particulars	Tangible Assets									
	Freehold Land & Site Development	Buildings	Plant and Machinery	Furniture and Fittings	Vehicles	Computers	Electrical Equipments	Office Equipment	Laboratory Equipment	Total
Deemed Cost										
Cost as at April 1, 2019	613.64	3,570.21	11,094.78	122.31	139.92	114.96	655.21	50.08	489.93	16,851.04
Additions	-	31.63	55.65	0.70	16.32	1.49	1.06	3.19	11.32	121.36
Disposals	-	-	(6.14)	-	(7.26)	-	-	-	-	(13.40)
Cost as at March 31, 2020	613.64	3,601.84	11,144.29	123.01	148.98	116.45	656.27	53.27	501.25	16,959.00
Additions	-	1.35	32.49	-	67.06	12.06	2.15	0.13	1.85	117.09
Disposals	-	-	(1.99)	-	(60.71)	-	-	-	-	(62.70)
Cost as at March 31, 2021	613.64	3,603.19	11,174.79	123.01	155.33	128.51	658.42	53.40	503.10	17,013.39
Depreciation/ Amortisation										
As at April 1, 2019	-	417.22	2,702.74	39.57	65.85	86.85	160.10	23.83	165.11	3,661.27
Depreciation for the year	-	123.34	534.53	10.64	17.34	11.48	55.38	7.42	43.84	803.97
Disposals	-	-	(0.50)	-	(4.81)	-	-	-	-	(5.31)
As at March 31, 2020	-	540.56	3,236.77	50.21	78.38	98.33	215.48	31.25	208.95	4,459.93
Depreciation for the year	-	116.44	536.14	10.30	15.61	3.15	54.53	6.51	42.42	785.10
Disposals	-	-	(0.22)	-	(39.81)	-	-	-	-	(40.03)
As at March 31, 2021	-	657.00	3,772.69	60.51	54.18	101.48	270.01	37.76	251.37	5,205.00
Net Carrying Value										
As at March 31, 2020	613.64	3,061.28	7,907.52	72.80	70.60	18.12	440.79	22.02	292.30	12,499.07
As at March 31, 2021	613.64	2,946.19	7,402.10	62.50	101.15	27.03	388.41	15.64	251.73	11,808.39

Notes :

Refer note 43 for information on movable assets which are pledged as security by the company to banks

Ashok Kumar Malhotra & Associates Chartered Accountants Noida

Dhanuka Laboratories Ltd. New Delhi

Dhanuka Laboratories Limited

Notes to the Standalone financial statements for the year ended March 31, 2021

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Notes	Particulars	As at March 31, 2021	As at March 31, 2020
5	**Non-current investments**		
	(I) Investment in Equity Instruments		
	(a) Quoted- At Cost		
	400,00,072 equity shares (previous year, 400,00,072) of Rs.10 each in Orchid Pharma Limited, fully paid up	4,000.01	4,000.01
	(b) Unquoted- At Cost		
	50 equity shares (previous year 50) of Rs. 10 each in Saraswat Co-operative Bank, fully paid up	0.01	0.01
	(c) Unquoted- At Fair Value through Profit & Loss		
	1,000 equity shares (previous year 1,000) of Rs. 10 each in Otsuka Chemical (India) Private Limited, fully paid up	1.60	1.60
	(II) Investment in debentures		
	(a) Unquoted- At Cost		
	1,43,000 Optionally Convertible Debentures (Quasi Equity) (previous year 1,43,000) of Rs.100,000 each in Orchid Pharma Limited, fully paid up	14,300.00	14,300.00
	(III) Investments in Partnership Firms at Cost		
	(a) Synmedic Laboratories	4,790.61	6,622.18
	98% of Capital is held with Synmedic Laboratories , 1% held with Manish Dhanuka, 1% held with Harsh Dhanuka		
	(b) IKO Overseas	21.03	25.36
	98% of Capital is held with IKO Overseas , 1% held with Arjun Dhanuka, 1% held with Harsh Dhanuka		
		23,113.26	**24,949.16**
	Total non-current Investments		
	(A) Aggregate value of quoted investments	4,000.01	4,000.01
	(B) Aggregate market value of quoted investments	4,000.01	4,000.01
	(C) Aggregate value of unquoted investments	19,113.25	20,949.15
6	**Other non-current financial assets**		
	(Unsecured, considered good)		
	Term Deposits	-	-
	In fixed deposit (maturity after 12 months)		
	Deposits with Government Authorities	7.44	7.44
	Other Deposits	267.25	258.28
		274.69	**265.72**

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Dhanuka Laboratories Ltd. Noida

Dhanuka Laboratories Limited

Notes to the Standalone financial statements for the year ended March 31, 2021

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Notes	Particulars	As at March 31, 2021	As at March 31, 2020
7	**Inventories**		
	Raw Materials	3,919.14	3,967.52
	Intermediates & Work-in-progress	5,063.46	4,221.97
	Stores and Spare parts	10.86	12.90
	Chemicals and Consumables	57.06	38.05
		9,050.52	**8,240.44**
	(a) The mode of valuation of inventories has been stated in note no 3(f)		
	(b) Refer note 43 for information on Inventories pledged as security by the company to banks		
8	**Trade Receivables**		
	Trade Receivables considered good - Unsecured*	7,231.01	7,979.67
		7,231.01	7,979.67
	Less: Provision for Bad Debts	-	-
		7,231.01	**7,979.67**
	(a) *Of the above, trade receivable from related parties are given below.		
	Unsecured, considered good	**77.25**	**12.04**
	(b) Refer note 43 for information on Trade Receviable pledged as security by the company to banks		
9	**Cash and cash equivalents**		
	Cash on hand	3.41	4.04
	Balances with banks		
	In current accounts	19.06	567.75
	Term Deposits		
	In fixed deposit (with original maturity less than 3 months).	19.62	18.40
		42.09	**590.19**
10	**Other Bank Balances**		
	In Fixed Deposits with banks (maturing within 12 months from the reporting date)	30.50	28.53
		30.50	**28.53**
11	**Other current financial assets**		
	(Unsecured, considered good)		
	Interest accrued	0.50	0.50
	Rent Advances	0.43	0.63
	Prepaid finance charges	11.22	38.47
		12.15	**39.60**
12	**Current tax assets**		
	Advance income tax (net of provision for tax)	8.84	241.31
	MAT Credit Entitlement*	-	-
		8.84	**241.31**

Ashok Kumar Malhotra & Associates Chartered Accountants Noida

Dhanuka Laboratories Ltd. New Delhi

Dhanuka Laboratories Limited

Notes to the Standalone financial statements for the year ended March 31, 2021

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Notes	Particulars	As at March 31, 2021	As at March 31, 2020
13	**Other current assets**		
	(Unsecured, considered good)		
	Advance recoverable in cash or in kind or for value to be received		
	Advance to suppliers	517.84	278.52
	Prepaid expenses	37.55	41.07
	Advance Licence Benefit	325.94	383.62
	Balances with Statutory Authorities	2,049.35	1,426.11
	Employees Advances	9.18	12.10
	Others amounts receivable	0.76	1.08
		2,940.62	**2,142.50**
14	**Equity Share Capital**		
	Authorised Share Capital		
	14,50,000 Equity Shares of 100.00 each, (Previous year 14,50,000 Equity Shares of Rs. 100.00 each)	1,450.00	1,450.00
		1,450.00	**1,450.00**
	Issued Share Capital		
	13,84,660 Equity Shares of Rs. 100.00 each, (Previous year 13,84,660 Equity Shares of Rs. 100.00 each)	1,384.66	1,384.66
		1,384.66	**1,384.66**
	Subscribed and fully paid up share capital		
	13,84,660 Equity Shares of Rs. 100.00 each, (Previous year 13,84,660 Equity Shares of Rs. 100.00 each)	1,384.66	1,384.66
		1,384.66	**1,384.66**
(a)	**Reconciliation of number of equity shares subscribed**		
	Balance as at the beginning of the year	13,84,660	11,14,660
	Add: Issued during the year	-	2,70,000
	Less : Shares cancelled (Buyback)	-	-
	Balance at the end of the year	**13,84,660**	**13,84,660**

(b) **Shareholders holding more than 5% of the total share capital**

Name of the share holders	As at March 31, 2021		As at March 31, 2020	
	%	No of shares	%	No of shares
Mr. Arun Kumar Dhanuka	9.77	1,35,222.00	9.77	1,35,222.00
Pushpa Dhanuka Trust	13.00	1,79,970.00	13.00	1,79,970.00
Mr. R.G. Agarwal	5.53	76,600.00	5.53	76,600.00
Mr. Manish Dhanuka	14.70	2,03,495.00	14.70	2,03,495.00
Triveni Trust	25.52	3,53,330.00	25.52	3,53,330.00

As per the records of the Company, including its Register of Shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

Ashok Kumar Mahotra & Associates Chartered Accountants Noida

Dhanuka Laboratories Ltd. New Delhi

(c) **Terms/Rights attached to Issued Equity Shares**

The company has only one class of equity shares having a par value of Rs.100 each. The equity shares of the company having par value of Rs.100/- rank pari-passu in all respects including voting rights and entitlement to dividend.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts, the distribution will be in proportion to the number of Equity Shares held by the shareholders.

The dividend proposed if any, by the Board of Directors, is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year, the Company proposed a dividend of Rs. Nil per equity share held (Previous year Rs. Nil per equity share held)

Notes	Particulars	As at March 31, 2021	As at March 31, 2020
15	**Other Equity**		
	Securities Premium	5,120.69	5,120.69
	Capital Redemption Reserve	195.05	195.05
	General Reserve	367.84	367.84
	Profit and Loss Account	9,380.36	10,552.22
		15,063.94	**16,235.80**
	a) Securities Premium		
	Balance at the beginning of the year	5,120.69	1,389.29
	Additions during the year	-	3,731.40
	Deletion during the year	-	-
	Balance at the end of the year	**5,120.69**	**5,120.69**
	b) Capital Redemption Reserve		
	Balance at the beginning of the year	195.05	195.05
	Additions during the year	-	-
	Deletion during the year	-	-
	Balance at the beginning and end of the year	**195.05**	**195.05**
	c) General Reserve		
	Balance at the beginning of the year	367.84	367.84
	Additions during the year	-	-
	Deletion during the year	-	-
	Balance at the beginning and end of the year	**367.84**	**367.84**
	d) Profit and Loss Account		
	Balance at the beginning of the year	10,552.22	10,451.51
	Net profit for the period	(1,171.86)	1,153.41
	Adjustments to retained earnings	-	(1,052.70)
	Balance at the end of the year	**9,380.36**	**10,552.22**

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Dhanuka Laboratories Ltd. New Delhi

Dhanuka Laboratories Limited

Notes to the Standalone financial statements for the year ended March 31, 2021

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Notes	Particulars	As at March 31, 2021	As at March 31, 2020
16	**Long Term Borrowings - at amortised cost**		
	Secured *		
	Foreign Currency Term Loans	1,371.56	3,201.53
	From NBFC	20.73	1.65
	Unsecured Loans		
	From NBFC	-	1,766.67
	Less. Current maturities of Long Term Debt (refer note 22)	(1,188.69)	(1,789.09)
		203.60	**3,180.76**
	* Refer Note 43 for repayment terms and security details		
17	**Provisions (Non-current)**		
	Provision for Employee Benefits		
	Compensated absence	120.40	115.66
		120.40	**115.66**
18	**Deferred Tax Asset / (Liability) - Net**		
	Deferred Tax Liability		
	On Fixed Assets	1,089.38	983.49
	On Others	0.19	8.64
		1,089.57	992.13
	Deferred Tax Asset		
	On unabsorbed tax depreciation	57.68	-
	Net deferred tax asset / (liability)	**(1,031.89)**	**(992.13)**
19	**Current liabilities - Borrowings**		
	Secured*		
	Working Capital Facilities / Borrowings	11,351.57	4,816.95
	Loans from NBFC	7.10	5.88
	Unsecured		
	Loans from NBFC	-	233.33
	Loans from Others	5,600.00	5,500.00
	Loans from Directors	9,021.99	8,661.84
		25,980.66	**19,218.00**
	* Refer Note 43 for repayment terms and security details		

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Dhanuka Laboratories Ltd. New Delhi

Dhanuka Laboratories Limited

Notes to the Standalone financial statements for the year ended March 31, 2021

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Notes	Particulars	As at March 31, 2021	As at March 31, 2020
20	**Trade payables**		
	Dues to Micro enterprises and Small enterprises *	7.93	7.81
	Dues to Creditors other than Micro and Small enterprises	8,820.80	12,808.47
		8,828.73	**12,816.28**
	* Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management represents the principal amount payable to these enterprises. Please refer note 39.		
21	**Provisions (Current)**		
	Provision for employee benefits		
	- Compensated absence	31.57	22.07
	Provision for Income Tax	-	99.27
		31.57	**121.34**
22	**Other current liabilities**		
	Current maturities of Term Loans	1,188.69	1,789.09
	Interest accrued on borrowings	570.68	193.32
	Statutory Liabilities	82.16	54.46
	Advance and deposits from customers etc.,	25.10	874.69
		1,866.63	**2,911.56**

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Dhanuka Laboratories Ltd. New Delhi

Dhanuka Laboratories Limited

Notes to the Standalone financial statements for the year ended March 31, 2021

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Notes	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
23	**Revenue from operations**		
	Sale of Products		
	Manufactured goods	38,157.12	40,768.14
		38,157.12	**40,768.14**
24	**Other income**		
	Interest income	4.65	6.04
	Profit on sale of assets	-	0.19
	Profit on sale of Investments	-	1,068.70
	Foreign exchange gain (net)	572.04	27.74
	Cash Discount	0.44	29.78
	Other non-operating income	1.88	18.50
		579.01	**1,150.95**
25	**Cost of materials consumed**		
	Opening inventory of raw materials	3,967.52	3,615.51
	Add : Purchases	29,354.66	29,824.05
	Less : Closing inventory of raw materials	(3,919.14)	(3,967.52)
		29,403.04	**29,472.04**
26	**Changes in inventories of work-in-progress, stock in trade and finished goods**		
	Opening Balance		
	Intermediates & Work-in-progress	4,221.97	3,581.97
	Finished Goods	-	-
		4,221.97	**3,581.97**
	Closing Balance		
	Intermediates & Work-in-progress	5,063.46	4,221.97
	Finished Goods	-	-
		5,063.46	**4,221.97**
	Total changes in inventories	**841.49**	**640.00**
27	**Employee benefits expense**		
	Salaries and wages	1,551.38	1,695.01
	Directors' Remuneration & perquisites	34.77	53.38
	Contribution to provident and other funds	88.61	97.59
	Staff welfare expenses	31.35	38.59
		1,706.11	**1,884.57**
28	**Finance Cost**		
	Interest on Term Loans	172.30	293.17
	Interest On Deposits	1,493.02	418.50
	Interest on others	585.35	432.22
		2,250.67	**1,143.89**

Ashok Kumar Malhotra & Associates Noida Chartered Accountants

Dhanuka Laboratories Ltd.

Dhanuka Laboratories Limited

Notes to the Standalone financial statements for the year ended March 31, 2021

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Notes	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
29	**Depreciation and amortisation expense**		
	Depreciation on Property, Plant and Equipment	785.11	803.98
		785.11	**803.98**
30	**Other expenses**		
	Power and Fuel	2,906.16	3,126.36
	Job Work/Conversion Charges	74.20	111.48
	Consumption of Stores, Spares & Chemicals	184.00	161.04
	Consumption of Packing Material	123.36	122.67
	Repairs to buildings	7.48	9.77
	Repairs to Machinery	331.02	354.73
	Factory maintenance	107.64	113.86
	Lab Expenses	84.56	80.28
	Research & Development Expenses	11.93	27.04
	Freight & Cartage	27.01	26.10
	Rent	1.44	1.44
	Insurance	61.67	60.16
	Rates & Taxes	13.10	11.93
	Postage, Telephone & Telex	26.71	25.31
	Printing & Stationery	29.57	27.66
	Vehicle Maintenance	29.99	33.50
	Recruitment expenses	0.20	0.22
	Payment to Auditors [Refer Note 30 (a)]	4.10	4.10
	Travelling and Conveyance	147.54	154.82
	Commission on Sales	743.95	1,554.58
	Freight Outwards	43.25	41.09
	Business Promotion and Selling Expenses	15.28	57.88
	Lease Rentals	164.88	156.51
	Consultancy & Professional Fees	90.60	37.06
	Loss on sale of assets	2.78	-
	Loss From Investment in Partnership Firm	1,212.15	903.88
	Acquisition Expenses	-	485.42
	Bank charges	28.25	12.52
	Bad Debts	-	13.98
	Miscellaneous expenses	54.19	78.09
		6,527.01	**7,793.48**
30 (a)	**Payment to auditors ***		
	As auditors - statutory audit	2.15	2.15
	For certificate and other services	1.95	1.95
		4.10	4.10
	* Excluding taxes		

Ashok Kumar Malhotra & Associates Chartered Accountants Noida

Dhanuka Laboratories Ltd.

Notes	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
31	**Exceptional items**		
	Exceptional items	(37.78)	6.27
		(37.78)	**6.27**
32	**Income tax expense**		
	(a) Income tax expense		
	Current tax		
	Current tax on profits for the year	-	99.27
	Total current tax expense	**-**	**99.27**
	Deferred tax		
	Deferred tax adjustments	39.75	(29.78)
	Total deferred tax expense/(benefit)	**39.75**	**(29.78)**
	MAT Credit Entitlement		
	MAT Credit Entitlement	-	244.45
	Total MAT Entitlement	**-**	**244.45**
	Income tax expense	**39.75**	**313.94**

c) Movement of deferred tax expense for the year ended March 31, 2021

Deferred tax (liabilities)/assets in relation to:	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Property, plant, and equipment and Intangible Assets	(983.49)	(105.89)	-	(1,089.38)
Unabsorbed tax depreciation*	-	57.68	-	57.68
Other temporary differences	(8.64)	8.45	-	(0.19)
	(992.13)	**(39.76)**	**-**	**(1,031.89)**

e) Movement of deferred tax expense during the year ended March 31, 2020

Deferred tax (liabilities)/assets in relation to:	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Property, plant, and equipment and Intangible Assets	(1,271.44)	287.95	-	(983.49)
Unabsorbed tax depreciation*	544.28	(544.28)	-	-
Unabsorbed Capital Loss	25.89	(25.89)	-	-
Other temporary differences	(320.64)	312.00	-	(8.64)
	(1,021.91)	29.78	-	(992.13)

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Dhanuka Laboratories Ltd. New Delhi

Dhanuka Laboratories Limited

Notes to the Standalone financial statements for the year ended March 31, 2021

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Notes	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
33	**Earnings per share**		
	Profit for the year attributable to owners of the Company	(1,171.86)	1,153.41
	Weighted average number of ordinary shares outstanding	13,84,660	13,84,660
	Weighted average number of ordinary shares outstanding for Diluted earnings per share	13,84,660	11,18,359
	Basic earnings per share (Rs)	(84.63)	83.30
	Diluted earnings per share (Rs)	(84.63)	103.13
34	**Earnings in foreign currency**		
	FOB value of exports	18,899.17	20,384.80
		18,899.17	**20,384.80**
35	**Expenditure in foreign currency (on accrual basis)**		
	Business Promotion	8.22	26.57
	Commission	489.21	1,369.50
	Travelling Expenses	-	5.02
	Interest on ECB	51.96	160.03
	Interest on Buyer's Credit	36.30	2.43
	Miscellaneous Expenses	-	0.57
	Laboratory Expenses	1.28	-
	Computer Expenses	8.29	7.15
		595.26	**1,571.28**
36	**CIF value of imports**		
	Raw Materials and packing materials	18,567.10	17,757.80
	Capital goods	-	7.17
		18,567.10	**17,764.97**

37 **Value of imported and indigenous Raw material Consumed during the financial year and the percentage of each to the total consumption**

Particulars	Year ended March 31, 2021		Year ended March 31, 2020	
	Rs. In Lakhs	Percentage (%)	Rs. In Lakhs	Percentage (%)
Raw Materials and Packing Materials				
Imported	19,218.32	65.36	18,243.08	61.90
Others	10,184.72	34.64	11,228.96	38.10
	29,403.04	**100.00**	**29,472.04**	**100.00**
Stores, Spares and Consumable stores				
Imported	-	-	-	-
Others	184.00	100.00	161.04	100.00
	184.00	**100.00**	**161.04**	**100.00**

Kumar Malhotra & Associates Chartered Accountants Noida

S.K. Sahu Dhanuka Laboratories Ltd.

38 Expenditure on Corporate Social Responsibility

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Gross amount required to be spent by the company during the year:	16.63	20.40
(b) Amount spent during the year:		
(i) Donations for sanitation of water and women education	-	0.50
(ii) Donation and contributions for promoting health care including preventive health care for poor.	13.50	18.80
(iii) *Donation to The Prime Minister Relief Fund	-	-
(iv) Donation for sports education	-	0.31
	13.50	**19.61**

*Remaining unspent amount of Rs. 3.13 Lakhs towards CSR were deposited to PM Cares Fund in the month of September 2021 as per the provisions of the Companies Act, 2013 and Rules made thereunder.

39 Disclosures required by the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 are as under *

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	7.93	7.81
(b) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.96	5.42
(c) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(d) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(e) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made		
Further interest remaining due and payable for earlier years		

*This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

40 Commitments and contingent liabilities

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Contingent Liability		
Claims against the company not acknowledged as debts		
- Income Tax Demand Pending in Apeal	38.40	90.10
- Sales Tax dispute pending before Sales Tax authorities for C form	-	13.48
- Demand under Customs at Kandla	14.64	14.64
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	0.97	42.59

41 Operating Segments

The operations of the Company falls under a single primary segment i.e., "Pharmaceuticals" in accordance with Ind AS 108 "Operating Segments" and hence no segment reporting is applicable.

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Dhanuka Laboratories Ltd

Information relating to geographical areas

(a) Revenue from external customers

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
India	19,257.95	20,256.21
Rest of the world	18,899.17	20,511.93
Total	**38,157.12**	**40,768.14**

(b) Non current assets

The manufacturing facilities of the Company is situated in India and no non-current assets are held outside India

(c) Information about major customers

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Number of external customers each contributing more than 10% of total revenue	-	-
Total revenue from the above customers	-	-

42 **Operating lease arrangements**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
As Lessee The Company has operating lease arrangements for premises. These are non-cancellable leases and can be extended on mutually agreed terms. There are no restrictions imposed by lease agreements. There are no subleases.		
-Payable within one year	97.25	162.44
-Later than one year but not later than five years	56.29	153.16
-Later than five years	-	-
Lease payments recognised in the Statement of Profit and Loss	164.88	156.51

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S.K. Sethi

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43 Terms and conditions of borrowings

Long term borrowings

Indian rupee loan includes loan from Bajaj Finserv Limited carrying interest @10.00% p.a., repayable in 60 monthly instalments commencing on September 5 , 2019. The loan is secured by Pari Passu first charge on all immovable and movable assets with Fixed Asset Coverage Ratio of 1.5x , Shares of Dhanuka Agritech Limited upto 1.5x (30 Cr) to be pledged by the promoters till security perfection . The loan is additionally secured by personal guarantee of Directors of the Company.

The company has taken Car Loan from ICICI Limited and Daimler Financial Services India Private Limited carrying interest @7.5% p.a & @10% p.a, repayable in 36 and 60 monthly instalments commencing on January 10,2021 & July 07, 2020. The loan is secured by hypothecation of the vehicle.

Foreign currency loan includes loan from HSBC Mauritius and DBS Singapore.

Loan from HSBC

The Company has taken two loans from the said bank which includes loan amounting to USD 6000000 disbursed in two tranches of USD 3000000 each taken on 24-09-2015 and USD 2000000 taken on 20-06-2017. The USD 3000000 loans carries interest @ LIBOR plus 160 Basic Points and the another loan of USD 2000000 carries interest @ LIBOR plus 160 Basic Points . These loans are repayable in 16 quarterly instalments commencing from the quarter beginning on July 15 , 2017, January 15 , 2018 ,and October 20 , 2018 respectively . Further These loans are secured by Pari Passu first charge secured by way of mortgage on Land & Building situated at Factory premises at Keshwana Rajasthan and 7KM old Manesar Road ,Gurgaon , First charge on all movable Fixed asset at Keshwana ,Rajasthan and 7 KM old Manesar Road Gurgaon . All the term loans are additionally secured by personal guarantee of Directors (M K Dhanuka , Manish Dhanuka , Arun Dhanuka , Arjun Dhanuka , Seema Dhanuka , Rahul Dhanuka, Urmila Dhanuka, Mridul Dhanuka , Pushpa Dhanuka) of the Company.

Loan from DBS

The company has taken loan amounting to USD 1500000 from the said bank sanctioned on 14-08-2016.The loan carrries interest @ LIBOR plus 200 Basic Points. The loan is repayable in 16 quarterly installments commencing from the quarter beginning on April 15 , 2018. Further These loans are secured by Pari Passu first charge secured by way of mortgage on Land & Building situated at Factory premises at Keshwana Rajasthan and 7KM old Manesar Road ,Gurgaon , First charge on all movable Fixed asset at Keshwana ,Rajasthan and 7 KM old Manesar Road Gurgaon . All the term loans are additionally secured by personal guarantee of Directors (M K Dhanuka , Manish Dhanuka , Arun Dhanuka , Arjun Dhanuka , Seema Dhanuka , Rahul Dhanuka, Urmila Dhanuka, Mridul Dhanuka , Pushpa Dhanuka) of the Company.

Short term borrowings

The short term borrowings of the Company includes Cash Credit Limit from various banks namely HDFC, Indusind, DBS, HSBC, Yes Bank and The Hongkong and Shanghai Banking Corporation Ltd. and Working Capital Limit from HDFC, Indusind, DBS, HSBC and Yes Bank which are secured by hypothecation of Raw Material, Work-in-Progress, Finished Goods, Packing Material, Stores & Spares,and Book Debt of Company and by second charge on Land & Building, Plant & Machinery and other movable Fixed Assets. The borrowings from banks are additionally secured by personal guarantee of Directors of the Company.

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44 Financial Instruments

Capital management

The Company manages its capital to ensure that entities in the Company will be able to continue as going concern, while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity, long-term borrowings and other short-term borrowings.

For the purposes of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

Gearing Ratio:	March 31, 2021	March 31, 2020
Debt	1,392.29	4,969.85
Less: Cash and bank balances	72.59	618.72
Net debt	1,319.70	4,351.13
Total equity	16,448.60	17,620.46
Gearing ratio (%)	8.02%	24.69%

Categories of Financial Instruments	March 31, 2021	March 31, 2020
Financial assets		
a. Measured at amortised cost		
Other non-current financial assets	274.69	265.72
Trade receivables	7,231.01	7,979.67
Cash and cash equivalents	42.09	590.19
Bank balances other than above	30.50	28.53
b. Measured at Fair Value Through P&L		
Investments	1.60	1.60
Financial liabilities		
a. Measured at amortised cost		
Borrowings (non-current)	203.60	3,180.76
Borrowings (current)	25,980.66	19,218.00
Trade payables	8,828.73	12,816.28

Financial risk management objectives

The treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimise the effects of these risks by using natural hedging financial instruments and forward contracts to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risk, the use of financial derivatives, and the investment of excess liquidity. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company actively manages its currency and interest rate exposure through its finance division, wherever required, to mitigate the risks from such exposures.

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Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company actively manages its currency rate exposures through a centralised treasury division and uses natural hedging principles to mitigate the risks from such exposures.

Disclosure of hedged and unhedged foreign currency exposure

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Particulars	Currency	March 31, 2021		March 31, 2020	
		Amount outstanding FCY	Amount outstanding INR	Amount outstanding FCY	Amount outstanding INR
Liabilities					
Unhedged foreign currency exposure					
Stand By Leter Of Credit	USD	39.10	2640.91	-	-
Indusind Bank(FCNR)	USD			5.00	376.65
External Commercial Borrowings	USD	18.75	1371.56	42.50	3,201.53
Trade Payable	USD	43.74	3199.94	4,786.71	4,976.52
Hedged foreign currency exposure					
Assets					
Unhedged foreign currency exposure					
Trade Receivables	USD	18.40	1345.85	28.56	2,150.71
EEFC Account Balance	USD	0.04	2.87	0.29	21.56
Foreign Currency in Hand	USD	0.02	0.00	0.02	0.00
Foreign Currency in Hand	EURO	0.00	0.00	0.00	0.00
Foreign Currency in Hand	Others	0.01	0.00	0.01	0.00
Advance to Vendor	EURO				
Hedged foreign currency exposure					

Foreign currency sensitivity analysis

Movement in the functional currencies of the various operations of the Company against major foreign currencies may impact the Company's revenues from its operations. Any weakening of the functional currency may impact the Company's cost of imports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures. The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 2%, which represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 2% change in foreign currency rates.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because of the existing exchange earning capacity of the company on account of its EOU status (Export oriented undertaking) and higher proportion of earnings in foreign exchange through exports.

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Interest rate risk management

The Company is exposed to interest rate risk because it borrows funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied. Further, in appropriate cases, the Company also effects changes in the borrowing arrangements to convert floating interest rates to fixed interest rates.

Interest rate sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Credit risk management

Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables and from its financing/ investing activities, including deposits with banks and foreign exchange transactions. The Company has no significant concentration of credit risk with any counterparty.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure is the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, margin money and other financial assets excluding equity investments.

(a) Trade Receivables

The Company has credit evaluation policy for each customer and based on the evaluation, credit limit of each customer is defined. Wherever the Company assesses the credit risk as high, the exposure is backed by either bank guarantee/letter of credit or security deposits.

The Company does not have higher concentration of credit risks to a single customer. As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default in payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

(b) Investments, Cash and Cash Equivalents and Bank Deposits

Credit Risk on cash and cash equivalents, deposits with the banks/financial institutions is generally low as the said deposits have been made with the banks/financial institutions, who have been assigned high credit rating by international and domestic rating agencies.

Credit Risk on Derivative Instruments is generally low as the Company enters into the Derivative Contracts with the reputed Banks.

Investments of surplus funds are made only with approved banks/ financial institutions/ counterparty. Investments primarily include bank deposits, etc. These bank deposits and counterparties have low credit risk. The Company has standard operating procedures and investment policy for deployment of surplus liquidity, which allows investment in bank deposit and restricts the exposure in equity markets.

Offsetting related disclosures

Offsetting of cash and cash equivalents to borrowings as per the bank agreement is available only to the bank in the event of a default. Company does not have the right to offset in case of the counter party's bankruptcy, therefore, these disclosures are not required.

Liquidity risk management

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 invests its surplus funds in bank fixed deposits, which carry minimal mark to market risks. The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

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Liquidity tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

March 31, 2021	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	8,828.73	-	-	8,828.73
Borrowings (including interest accrued thereon upto the reporting date)	1,188.69	182.87	-	1,371.56
	10,017.42	**182.87**	**-**	**10,200.29**

March 31, 2020	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	12,816.28	-	-	12,816.28
Borrowings (including interest accrued thereon upto the reporting date)	1,789.09	1,412.44	-	3,201.53
	14,605.37	**1,412.44**	**-**	**16,017.81**

	March 31, 2021	**March 31, 2020**
Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):	Nil	Nil

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45 Related party disclosure

a) List of parties having significant influence

Subsidiary Company	Orchid Pharma Limited Orchid Europe Limited, UK Orchid Pharmaceuticals Inc., USA Orgenus Pharma Inc., USA (Subsidiary of Orchid Pharmaceuticals Inc USA.) Orchid Pharma Inc / Karalex Pharma USA, (Subsidiary of Orchid Pharmaceuticals Inc, USA) Orchid Pharmaceuticals SA (Proprietary) Limited, South Africa Bexel Pharmaceuticals Inc., USA Diakron Pharmaceuticals Inc., USA
Key management personnel (KMP)	Mr. Manish Dhanuka (Managing Director) Mr. Arjun Dhanuka (Whole time Director) Mr. Sunil Gupta (CFO) Mr. Pavitra Mishra (Company Secretary)
Relatives of KMP	Mrs. Seema Dhanuka (Wife of Manish Dhanuka) Mr, Arun Kr. Dhanuka (Brother of Manish Dhanuka) Mr, Arun Kr. Dhanuka (Father of Arjun Dhanuka)
Entities in which relatives of KMP exercise significant influence	Dhanuka Agritech Limited (Enterprises over which KMP and their relatives have significant influence) Otsuka Chemical (India) Private Limted (Joint Venture) Synmedic Laboratories (98%) Parnership Firm Iko Overseas (98%) Parnership Firm

b) Transactions during the year

S.No.	Nature of transactions	Year ended March 31, 2021	Year ended March 31, 2020
1	**Unsecured Loan Taken**		
	Mr. Manish Dhanuka	190.00	443.49
	Mr. Arjun Dhanuka	313.00	159.20
	Mrs. Seema Dhanuka	139.00	31.00
	Mr. Arun Kr..Dhanuka	95.00	276.09
	Dhanuka Agritech Limited	1,900.00	4,500.00
2	**Unsecured Loan Repaid**		
	Mr. Manish Dhanuka	165.85	1,320.85
	Mr. Arjun Dhanuka	50.00	290.00
	Mrs. Seema Dhanuka	23.00	5.00
	Mr. Arun Kr..Dhanuka	138.00	565.35
	Dhanuka Agritech Limited	500.00	4,500.00
3	**Interest Paid**		
	Mr. Manish Dhanuka	117.32	209.51
	Mr. Arjun Dhanuka	20.38	20.14
	Mrs. Seema Dhanuka	48.89	42.49
	Mr. Arun Kr..Dhanuka	7.53	42.79
	Dhanuka Agritech Limited	311.48	2.71

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S.No.	Nature of transactions	Year ended March 31, 2021	Year ended March 31, 2020
4	**Sale of goods**		
	Otsuka Chemical (India) Private limited	1.09	4.55
	Synmedic Laboratories	210.69	115.51
	Orchid Pharma Limited	936.17	-
5	**Purchase of Goods**		
	Otsuka Chemical (India) Private limited	6,956.66	5,766.56
	Synmedic Laboratories	184.60	736.06
	Dhanuka Agritech Limited	1.81	-
	Orchid Pharma Limited	33.84	-
6	**Purchase of Capital Goods**		
	Dhanuka Agritech Limited	-	2.36
	Synmedic Laboratories	-	1.39
7	**Rent Paid**		
	Dhanuka Agritech Limited	0.28	0.28
8	**Rent Received**		
	Synmedic Laboratories	0.24	0.24
9	**Remuneration and contribution to funds**		
	Mr. Manish Dhanuka	8.48	33.23
	Mr. Arjun Dhanuka	26.30	20.15
	Mr. Sunil Gupta	14.78	14.48
	Mr. Pavitra Mishra	4.50	4.50
10	**Investment**		
	Orchid Pharma Limited	18,300.01	18,300.01

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c) Balances at the end of the year

S.No.	Nature of transactions	Year ended March 31, 2021	Year ended March 31, 2020
1	**Sundry Debtors**		
	Orchid Pharma Limited	77.25	12.04
	Dhanuka Agritech Limited	0.06	-
2	**Sundry Creditors**		
	Otsuka Chemical (India) Private limited	456.95	2,018.32
	Dhanuka Agritech Limited	-	2.24
3	**Unsecured Loans**		
	Mr. Manish Dhanuka	1,116.69	1,092.54
	Mr. Arjun Dhanuka	356.60	93.60
	Mrs. Seema Dhanuka	550.20	434.20
	Mr. Arun Kr..Dhanuka	18.51	61.51
	Dhanuka Agritech Limited	3,900.00	2,500.00
4	**Interest Accrued on Loans**		
	Mr. Manish Dhanuka	55.55	94.85
	Mr. Arjun Dhanuka	14.37	9.15
	Mrs. Seema Dhanuka	24.65	19.44
	Mr. Arun Kr..Dhanuka	4.44	20.08
5	**Rent Receivable**		
	Synmedic Laboaratoreis	-	0.33

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46 Retirement benefit plans

Defined contribution plans

In accordance with Indian law, eligible employees of the Company are entitled to receive benefits in respect of Gratuity fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions, as specified under the law, are made to the Provident fund, Gratuity fund, Superannuation fund as well as Employee State Insurance Fund.

Defined benefit plans

(a) Gratuity

Gratuity is payable as per Payment of Gratuity Act, 1972. In terms of the same, gratuity is computed by multiplying last drawn salary (basic salary including dearness Allowance if any) by completed years of continuous service with part thereof in excess of six months and again by 15/26. The Act provides for a vesting period of 5 years for withdrawal and retirement and a monetary ceiling on gratuity payable to an employee on separation, as may be prescribed under the Payment of Gratuity Act, 1972, from time to time. However, in cases where an enterprise has more favourable terms in this regard the same has been adopted.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	March 31, 2021	March 31, 2020
Discount Rate	6.95% p.a. (Indicative G.Sec referenced on 31-03-	6.82% p.a. (Indicative G.Sec referenced on 31-03-
Rate of increase in compensation level	7.00%	7.00%
Retirement Age	60 Years	60 Years
Mortality	Indian Assured Lives Mortality (2006-08) (Ultimate)	Indian Assured Lives Mortality (2006-08) (Ultimate)

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

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Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:	**March 31, 2021** Rs. Lakhs	**March 31, 2020** Rs. Lakhs
The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:		
Present Value of Benefit Obligation at the Beginning of the Period	340.99	273.51
Interest Cost	23.26	21.28
Current Service Cost	39.53	30.77
Past Service Cost	-	-
Benefit Paid From the Fund	(12.36)	(7.38)
The Effect Of Changes in Foreign Exchange Rates	-	-
Actuarial (Gains)/Losses on Obligations -	-	-
Due to Change in Demographic Assumptions	-	2.47
Due to Change in Financial Assumptions	(4.44)	31.33
Due to Experience	(26.74)	(11.00)
Present Value of Benefit Obligation at the End of the Period	**360.23**	**340.99**
Fair Value of Plan Assets		
Fair Value of Plan Assets at the Beginning of the Period	352.50	353.30
Interest Income	24.04	27.49
Contributions by the Employer	-	-
(Benefit Paid from the Fund)	(12.36)	(7.38)
The Effect of Changes In Foreign Exchange Rates	-	-
Return on Plan Assets, Excluding Interest Income	51.78	(20.90)
Fair Value of Plan Assets at the End of the Period	**415.96**	**352.50**
Present value of defined benefit obligation	360.23	340.99
Fair value of plan assets	(415.96)	(352.50)
Net liability/ (asset) arising from defined benefit obligation	**(55.74)**	**(11.51)**
Funded	(55.74)	(11.51)
Unfunded	-	-
	(55.74)	**(11.51)**
Current Liability	(55.74)	(11.51)
Non - Current Liability	-	-

Since the value of planned assets is greater than present value of obligation as on reporting period, the Company has not created any liability in the books of accounts.

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Sensitivity analysis

In view of the fact that the Company for preparing the sensitivity analysis considers the present value of the defined benefit obligation which has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

(b) Compensated absences

The leave scheme is a final salary defined benefit plan, that provides for a lumpsum payment at the time of separation; based on scheme rules the benefits are calculated on the basis of last drawn salary and the leave count at the time of separation and paid as lumpsum.

The design entitles the following risk

Interest rate risk	The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
Salary inflation risk	Higher than expected increases in salary will increase the defined benefit obligation.
Demographic risk	This is the risk of volatility of results due to unexpected nature of decrements that include mortality attrition, disability and retirement. The effects of these decrement on the DBO depends upon the combination salary increase, discount rate, and vesting criteria and therefore not very straight forward. It is important not to overstate withdrawal rate because the cost of retirement benefit of a short caring employees will be less compared to long service employees.

Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:	**March 31, 2021** Rs. Lakhs	**March 31, 2020** Rs. Lakhs
The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:		
Present value of defined benefit obligation	151.97	137.72
Net liability/ (asset) arising from defined benefit obligation	**151.97**	**137.72**
Funded	-	-
Unfunded	151.97	137.72
	151.97	**137.72**
Current Liability	31.57	22.07
Non - Current Liability	120.40	115.66

The above provisions are reflected under 'Provision for employee benefits- leave encashment' (long-term provisions) [Refer note 17] and 'Provision for employee benefits - leave encashment' (short-term provisions) [Refer note 21].

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47 The Company is in the process of carrying out a comprehensive confirmation and reconciliation of receivables, loans and advances given, payables, bank balances and other financial assets, the claims received from the employees, financial creditors (including excess/ short provision of interest, non-provision of penal interest by the Company considering the agreement reached by the joint lenders meeting) and operational creditors with the books of account.

Further, the Company is in the process of carrying out physical verification of fixed assets/ related reconciliation with the books of account and reconciliation of restatement account of foreign currency assets and liabilities

Pending completion of the aforesaid comprehensive reconciliation, the possible impact, if any, is not presently determinable. Accordingly, no adjustment has been made in the financial statements.

48 Previous year figures have been regrouped/reclassified, wherever necessary. However, impact of these reclassifications, if any, are not material.

As per our report of even date attached
For Ashok Kumar Malhotra & Associates
Chartered Accountants
Firm Registration No.014498C

Ashok Kumar Malhotra
Proprietor
Membership No.082258
Place : Delhi
Date : 22/10/2021
UDIN: 21082258AAAABB4636

For and on behalf of the board

Manish Dhanuka
Managing Director
DIN: 00238798
Date : 22/10/2021
Place : Delhi

Arjun Dhanuka
Director
DIN: 00454689
Date : 22/10/2021
Place : Delhi

Sunil Gupta
CFO
Date : 22/10/2021
Place : Delhi

Pavitra Mishra
Company Secretory
Membership No.059114
Date : 22/10/2021
Place : Delhi

Dhanuka Laboratories Limited

Standalone Balance Sheet as at September 30, 2021

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Notes	As at Sep 30, 2021	As at March 31, 2021
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	4	11,483.05	11,808.39
(b) Financial Assets			
(I) Investments	5	24,006.73	23,113.26
(II) Other Financial Assets	6	275.31	274.69
Total Non-Current Assets		**35,765.09**	**35,196.34**
Current Assets			
(a) Inventories	7	12,467.18	9,050.52
(b) Financial Assets			
(i) Trade Receivables	8	9,241.85	7,231.01
(ii) Cash and Cash Equivalents	9	266.14	42.09
(iii) Bank Balances other than above	10	359.68	30.50
(iv) Other Financial Assets	11	8.51	12.15
(c) Current Tax Assets (net)	12	833.56	8.84
(d) Other Current Assets	13	3,916.90	2,940.62
Total Current Assets		**27,093.82**	**19,315.73**
Total Assets		**62,858.91**	**54,512.08**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	14	1,384.66	1,384.66
(b) Other Equity	15	27,266.87	15,063.94
Total Equity		**28,651.53**	**16,448.60**
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	16	17.85	203.60
(b) Provisions	17	115.91	120.40
(c) Deferred Tax Liability (Net)	18	1,049.68	1,031.88
Total Non-Current Liabilities		**1,183.44**	**1,355.88**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	19,864.79	25,980.66
(ii) Trade Payables	20	10,237.84	8,828.73
(b) Short Term Provisions	21	1,837.80	31.57
(c) Other Current Liabilities	22	1,083.51	1,866.63
Total Current Liabilities		**33,023.94**	**36,707.59**
Total Liabilities		**34,207.38**	**38,063.47**
Total Equity and Liabilities		**62,858.91**	**54,512.08**
		-	-

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For Ashok Kumar Malhotra & Associates
Chartered Accountants
Firm Registration No.014498C

Ashok Kumar Malhotra & Associates Chartered Accountants

Ashok Kumar Malhotra
Proprietor
Membership No.082258
Place : Delhi
Date : 19/112021
UDIN: 21082258AAAABD8980

For and on behalf of the board

Manish Dhanuka
Managing Director
DIN: 00238798
Date : 19/112021
Place : Delhi

Arjun Dhanuka
Director
DIN: 00454689
Date : 19/112021
Place : Delhi

Dhanuka Laboratories Ltd. New Delhi

Sunil Gupta
CFO
Date : 19/112021
Place : Delhi

Pavitra Mishra
Company Secretary
M.No. 59114
Date : 19/112021
Place : Delhi

Dhanuka Laboratories Limited

Statement of Standalone Profit and Loss for the period ended September 30, 2021

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Notes	For the year ended, Sep 30, 2021	For the year ended, March 31, 2021
Continuing Operations			
(A) Income			
Revenue From Operations	23	19,199.67	38,157.12
Other Income	24	15,790.61	579.01
Total Income		**34,990.28**	**38,736.13**
(B) Expenses			
Cost of Materials Consumed	25	15,756.87	29,403.04
Changes in Inventories of Finished Goods and Work in Progress	26	(845.70)	(841.49)
Employee Benefits Expense	27	870.16	1,706.11
Finance Costs	28	1,118.39	2,250.67
Depreciation and Amortisation Expense	29	395.88	785.11
Other Expenses	30	3,661.01	6,527.01
Total Expenses		**20,956.61**	**39,830.45**
(C) Profit/ (Loss) Before Exceptional Items and Tax		**14,033.67**	**(1,094.32)**
Exceptional Items		-	
Exceptional Items - Income / (Expenses)	31	-	(37.78)
(D) Profit/ (Loss) Before Tax From Continuing Operations		14,033.67	(1,132.10)
Income Tax Expense	32		
Current Tax		1,812.88	-
Deferred Tax Charge/ (Credit)		17.80	39.75
Mat Credit Entitlement		-	-
(E) Profit/ (Loss) For The Year from Continuing Operations		**12,202.99**	**(1,171.85)**
(F) Profit/ (Loss) from Disontinued Operations		-	-
(G) Tax Expenses of Disontinued Operations		-	-
(H) Profit/ (Loss) from Disontinued Operations (after tax) [(F)-(G)]		-	-
(I) Profit/ (Loss) For The Year [(E)+(H)]		**12,202.99**	**(1,171.85)**
(J) Other comprehensive income		-	-
Total comprehensive Income/ (Loss) for the year		**12,202.99**	**(1,171.85)**
Earnings per share (for discontinued & continuing operation)	33		
Basic earnings per share		881.29	(84.63)
Diluted earnings per share		881.29	(84.63)

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For Ashok Kumar Malhotra & Associates
Chartered Accountants
Firm Registration No.014498C

Ashok Kumar Malhotra & Associates Chartered Accountants

Ashok Kumar Malhotra
Proprietor
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Place : Delhi
Date : 19/112021
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Director
DIN: 00454689
Date : 19/112021
Place : Delhi

Dhanuka Laboratories Ltd. New Delhi

Sunil Gupta
CFO
Date : 19/112021
Place : Delhi

Pavitra Mishra
Company Secretary
M.No. 59114
Date : 19/112021
Place : Delhi

Dhanuka Laboratories Limited

Statement of Standalone cash flows for the period ended September 30, 2021

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	For the year ended, Sep 30, 2021	For the year ended, March 31, 2021
Cash Flow From Operating Activities		
Profit/ loss before income tax	14,033.62	(1,094.32)
Adjustments for		
Depreciation and amortisation expense	395.88	785.11
(Profit)/ loss on sale of Investments	(15,712.62)	-
Share of Loss from Partnership firm	362.79	1,212.15
Finance costs	1,118.39	2,250.67
Dividend Income	(0.04)	-
Interest income	(2.77)	(4.65)
	195.25	**3,148.96**
Change in operating assets and liabilities		
(Increase)/ decrease in Other financial assets	3.00	18.49
(Increase)/ decrease in inventories	(3,416.65)	(810.09)
(Increase)/ decrease in trade receivables	(2,010.84)	748.66
(Increase)/ decrease in Other assets	(975.66)	(796.92)
Increase/ (decrease) in provisions and other liabilities	(647.57)	(1,000.97)
Increase/ (decrease) in trade payables	1,409.11	(3,987.56)
Cash generated from operations	**(5,443.36)**	**(2,679.43)**
Less : Income taxes paid (net of refunds)	(824.72)	95.41
Net cash from operating activities (A)	**(6,268.08)**	**(2,584.02)**
Cash Flows From Investing Activities		
Purchase of PPE (including changes in CWIP)	(76.82)	(117.08)
Sale proceeds of PPE	6.28	22.66
Disposal proceeds of Investments	26,490.97	-
Purchase of Investments	(11,671.82)	1,835.89
(Investments in)/ Maturity of fixed deposits with banks	(329.18)	(1.98)
Share of Loss from Partnership firm	(362.79)	(1,212.15)
Dividend received	0.04	-
Interest received	2.14	3.46
Net cash used in investing activities (B)	**14,058.82**	**530.80**
Cash Flows From Financing Activities		
Proceeds from Borrowings	19,370.45	13,081.72
Repayment of Borrowings	(26,211.78)	(9,896.61)
Finance costs	(725.37)	(1,679.99)
Net cash from/ (used in) financing activities (C)	**(7,566.70)**	**1,505.12**
Net increase/decrease in cash and cash equivalents (A+B+C)	**224.04**	**(548.10)**
Cash and cash equivalents at the beginning of the financial year	**42.09**	**590.19**
Cash and cash equivalents at end of the year	**266.13**	**42.09**

Notes:

1. The above cash flow statement has been prepared under indirect method prescribed in Ind AS 7 "Cash Flow Statements".

2. Components of cash and cash equivalents

Balances with banks		
- in current accounts	3.53	19.06
- in fixed deposit with original maturity of less than 3 months	257.01	19.62
Cash on hand	5.60	3.41
Cash and cash equivalents at end of the year	**266.14**	**42.09**

The accompanying notes form an integral part of the financial statements

As per our report of even date attached
For Ashok Kumar Malhotra & Associates
Chartered Accountants
Firm Registration No.014498C

Ashok Kumar Malhotra & Associates Chartered Accountants

Ashok Kumar Malhotra
Proprietor
Membership No.082258
Place : Delhi
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CFO
Date : 19/112021
Place : Delhi

Pavitra Mishra
Company Secretary
M.No. 59114
Date : 19/112021
Place : Delhi

Notes to the Financial Statement for the year ended 30th September, 2021

1. CORPORATE INFORMATION

Dhanuka Laboratories Limited ("the Company") is a public Company domiciled in India and incorporated on February 24th, 1993 under the provisions of the Companies Act applicable in India. The registered office of the Company is located at New Delhi and is one of the leading pharmaceutical companies in India head quartered in Delhi and involved in manufacturing, trading, import and export of "Bulk Drugs" and "Drug Formulations

2. BASIS OF PREPARATION

a. Statement of compliance

The financial statements are prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ('the Act') as amended through rules and other relevant provisions of the Act to the extent applicable.

The financial statement up to year ended 31 March, 2017 were prepared in accordance with accounting standards notified under section 133 of the Companies Act, 2013 ('The Act') read with rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified).

b. Basis of measurement

The financial statements have been prepared on an accrual basis and under the historical cost convention, except for the following:

- Certain financial assets and liabilities that is measured at fair value;
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments);
- Defined benefit plans - plan assets measured at fair value.

c. Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). The financial statements are presented in Indian National Rupee ('INR'), which is the Company's functional and presentation currency. All amounts have been rounded to the nearest lacs, unless otherwise indicated.

d. Current or Non-current classification

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

e. Use of Judgements and estimates

In preparing the financial statements, the Management has to make certain assumptions and estimates that may substantially impact the presentation of the Company's financial position and/ or results of operations.

Such assumptions and estimates mainly relate to the useful life of Property, Plant and Equipment, Intangible Assets, Recognition of deferred tax, and the recognition of provisions, including those for litigation and impairment, employee benefits and sales deductions.

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Dhanuka Laboratories Ltd. New Delhi

The estimates and judgments used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Although the Company regularly assesses these estimates, actual results may differ from these estimates. Changes in estimates are recorded in the periods in which they become known.

3. SIGNIFICANT ACCOUNTING POLICIES

The Company has consistently applied the following accounting policies to all periods presented in the financial statements.

a. Property, plant and equipment

I. Recognition and measurement

Property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, after deducting trade discount and rebates, and including import duties, non-refundable purchase taxes, any directly attributable cost of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials, direct labour and any directly attributable cost of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are included in cost to the extent they relate to the period till such assets are ready for its intended use.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. The cost of replacing part of an item of property, plant and equipment or major inspections performed, are recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The costs of all other repairs and maintenance are recognized in the Statement of Profit & Loss as incurred.

Capital work-in-progress includes cost of property, plant and equipment under installation / under construction as at the balance sheet date.

An item of property, plant and equipment is derecognized when no future economic benefits are expected to arise from the continued use of the asset or upon disposal. Any gain or loss on disposal is recognized in statement of profit & loss.

II. Transition to IND AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognized as at 1st April, 2018 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

III. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values, recognized in the statement of profit and loss. Depreciation on property, plant and equipment is provided on Straight

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S.K.S.P.K Malhotra

Line Method (SLM) at the rate and in the manner based on the useful life of the assets as estimated by the management which coincide with the useful life specified under Schedule II of the Companies Act, 2013, which are as follows:

Building including factory building	-	30 years
General plant and machinery	-	20 years
Furniture and Fittings	-	10 years
Vehicles	-	08 years
Computers and data processing units	-	03 years
Electrical Equipment's	-	10 years
Office Equipment	-	05 years
Laboratory Equipment	-	10 years

Depreciation methods, useful lives and residual values are reviewed at each financial year end and changes, if any, are accounted for prospectively. Depreciation on additions to or on disposal of assets is calculated on pro-rata basis i.e. from (upto) the date on which the property, plant and equipment is available for use (disposed off).

b. Intangible assets

I. Recognition and measurement

Intangible Assets are recognized, if the future economic benefits attributable to the assets are expected to flow to the company and cost of the asset can be measured reliably. All other expenditure is expensed as incurred.

Intangible assets are measured at cost less any accumulated amortization and impairment losses, if any and are amortized over their respective individual estimated useful life on straight line method. It is amortized from the point at which the asset is available for use.

Cost of an item of intangible asset comprises its purchase price, after deducting trade discount and rebates, and including import duties, non-refundable purchase taxes, and any directly attributable cost of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management.

The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period and adjusted prospectively, if appropriate.

An intangible asset is derecognized when no future economic benefits are expected to arise from the continued use of the asset or upon disposal. Any gain or loss on disposal is recognized in statement of profit & loss.

II Transition to IND AS

On transition to Ind AS, company has elected to continue with the carrying value; if any of all of its intangible assets recognized as at 1 April 2018, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

c. Impairment of non-financial assets

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Dhanuka Laboratories Ltd. New Delhi

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash flows are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Units ('CGUs'). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss.

In respect of assets for which impairment loss has been recognized in prior periods, the company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. After impairment, depreciation or amortization is provided on the revised carrying amount of the assets over its remaining useful life.

c. Financial instruments

I. Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially recognized at fair value plus transaction costs directly attributable to its acquisition. The transaction costs incurred for the purchase of financial assets held at fair value through profit and loss are expensed in the statement of profit and loss immediately.

II. Subsequent measurement

1) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. When the financial asset is derecognized or impaired, the gain or loss is recognized in the statement of profit and loss.

2) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in statement of profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to the statement of profit and loss.

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Laboratories Ltd. New Delhi

Equity instruments are subsequently measured at fair value. On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment by investment basis. Fair value gains and losses recognized in OCI are not reclassified to the statement of profit and loss.

3) Financial assets at fair value through profit and loss

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

4) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts is approximate to the fair value due to the short maturity of these instruments.

5) Investment in subsidiaries

Investment in subsidiaries is carried at cost less impairment, if any, in the financial statements.

III. Impairment of financial assets

The company assesses on a forward-looking basis, the expected credit losses associated with its assets carried at amortized cost and FVOCI debt instruments. Except trade receivables, expected credit losses are measured at an amount equal to the twelve-month expected credit loss unless there has been a significant increase in credit risk from initial recognition, in which case those are measured at lifetime ECL.

In case of trade receivables, the Company follows the simplified approach which requires expected lifetime losses to be recognized from the initial recognition of the trade receivables. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

IV. Derecognition

1) Financial Assets

Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

2) Financial Liabilities

The company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expired.

V. Reclassification of Financial Assets and Financial Liabilities

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. If the company reclassifies financial assets, it applies prospectively from the reclassification date which

Ashok Kumar Mehrotra & Associates Noida Chartered Accountants

Sikko Pharmaceuticals Laboratories Ltd. New Delhi

is the first day of the immediately next reporting period following the change in business model. The company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

VI. Derivative financial instruments

The company uses derivative financial instruments, such as forward currency contracts to hedge its foreign currency risk. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re- measured at fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are recognized immediately in the statement of profit and loss.

VII. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the company has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

e. Fair Value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using other valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/ or disclosure purposes are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1-This includes financial instruments measured using quoted prices (Unadjusted) in active markets for identical assets and liabilities.

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

Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

f. Inventories

Inventories (including Stock-in-transit) of Finished Goods, Stock in Trade, Work in progress, Raw materials, packing materials and Stores & Spares are stated at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Cost includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their existing location and condition. Net realizable value is the estimated

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Laboratories Ltd. New Delhi

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

Cost of Raw Materials, Packing Materials, Stores and Spares, Stock in Trade and other products are determined on First in first out (FIFO) basis and are net of GST.

Cost of Work in progress and Finished Goods is determined on First in first out (FIFO) basis considering direct material cost and appropriate portion of manufacturing overheads based on normal operating capacity.

Obsolete, slow moving and defective inventories are identified at the time of physical verification of inventories and wherever necessary, the same are written off or provision is made for such inventories. Finished goods and work in progress are written down if anticipated net realizable value declines below the carrying amount of the inventories and such write down to inventories are recognized in statement of profit & loss. When reason for such write down ceases to exists, then write down is reversed through statement of profit and loss account.

g. Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized if, as a result of a past event, the company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent Liability is disclosed after careful evaluation of facts, uncertainties and possibility of reimbursement, unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent liabilities are not recognized but are disclosed in notes.

Contingent assets are not disclosed in the financial statements unless an inflow of economic benefits is probable.

h. Revenue Recognition

I. Sale of goods

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognized when the significant risk and rewards of ownership have been transferred to the customer and it is probable that the economic benefits associated with the transaction will flow to the company. The amount of revenue and associated costs can be measured reliably. Amounts disclosed as revenue are net of GST, sale returns, trade discounts and volume rebates.

Incentives on exports are recognized in books after due consideration of certainty of utilization/ receipt of such incentives.

II. Sale of Services

Revenue from sale of services is recognized as per the terms of the contract with customers based on the stage of completion when the outcome of the transactions involving rendering of services can be estimated reliably.

III. Interest Income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition. Interest income is included in other income in the statement of profit and loss.

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Chandigarh Laboratories Pvt. Ltd. New Delhi

IV. Dividends

Dividend income is recognized when the Company's right to receive dividend is established, and is included in other income in the statement of profit and loss.

i. Employee Benefits

I. Short Term Employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

II. Defined contribution plans

Employees benefits in the form of the Company's contribution to Provident Fund, Pension scheme, Superannuation Fund, National Pension scheme and Employees State Insurance are defined contribution schemes. The Company recognizes contribution payable to these schemes as an expense, when an employee renders the related service.

If the contribution payable exceeds contribution already paid, the deficit payable is recognized as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the end of the reporting period, the Company recognize that excess as an asset (prepaid expense) to the extent that the prepayment will lead to reduction in future payments or a cash refund.

III. Defined benefit plans

Retirement benefits in the form of gratuity are considered as defined benefit plans. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The company provides for its gratuity liability based on actuarial valuation of the gratuity liability as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary. The company contributes to the gratuity fund, which are recognized as plan assets. The defined benefit obligation as reduced by fair value of plan assets is recognized in the Balance Sheet.

When the calculation results in a potential asset for the company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in Other Comprehensive Income. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognized in statement of profit & loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in statement of profit & loss. The company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Ashok Kumar Malhotra & Associates Noida Chartered Accountants

Cadila Healthcare Laboratories Ltd. New Delhi

IV. Other long-term employee benefits

Employee benefits in the form of long-term compensated absences are considered as long-term employee benefits. The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurement are recognized in statement of profit & loss in the period in which they arise.

The liability for long term compensated absences are provided based on actuarial valuation as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary.

j. Foreign currency transactions

The financial statements are presented in Indian rupee, which is the company's functional and presentation currency. A company's functional currency is that of the primary economic environment in which the company operates.

Foreign currency transactions are translated into the functional currency using the exchange rate at the date of the transaction. Foreign exchange gains/losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in the statement of profit and loss.

k. Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

l. Income Tax

Income tax expense comprises current and deferred tax. It is recognized in statement of profit & loss except to the extent that it relates to items recognized directly in equity or in Other Comprehensive Income.

I. Current Tax

Current tax comprises the expected tax payable on the taxable income for the year after taking credit of the benefits available under the Income Tax Act and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if, the Company:

a) has a legally enforceable right to set off the recognized amounts; and

b) intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

II. Deferred Tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying values of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences. In contrast, deferred tax assets are only recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized.

The carrying value of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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Dhanlaxmi Laboratories Ltd. New Delhi

Deferred tax is measured at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized based on the tax rates and tax laws that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to cover or settle the carrying value of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

i) The entity has a legally enforceable right to set off current tax assets against current tax liabilities;

and

ii) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability.

m. Segment Reporting

An operating segment is defined as a component of the entity that represents business activities from which it earns revenues and incurs expenses and for which discrete financial information is available. The operating segments are based on the company's internal reporting structure and the manner in which operating results are reviewed by the Chief Financial Officer (CFO).

n. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

o. Statement of cash flow

Cash flow statements are prepared in accordance with "Indirect Method" as explained in the Ind AS on Statement of Cash Flows (Ind AS - 7). The cash flows from operating, financing and investing activity of the company are segregated.

p. Lease

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

I. Finance Lease

Finance Lease that transfer substantially all of the risks and benefits incidental to ownership of the leased item, are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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Dhabriya Laboratories Ltd. New Delhi

II. Operating Lease

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. Payments under operating lease are recorded in the Statement of profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

q. Earnings per share

The basic earnings per share are computed by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted EPS is computed by dividing the net profit after tax by the weighted average number of equity shares considered for deriving basic EPS and also weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for bonus shares, as appropriate.

r. Research and Development Expenses

Research and Development Expenses of revenue nature are charged to the Statement of profit and Loss.

Ashok Kumar Malhotra & Associates Noida Chartered Accountants

Dhanuka Laboratories Ltd. New Delhi

Dhanuka Laboratories Limited

Statement of Changes in Equity for the period ended September 30, 2021

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

(A) Equity Share Capital

Particulars	As at September 30, 2021		As at March 31, 2021	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting period	13,84,660	1,384.66	13,84,660	1,384.66
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the reporting period	13,84,660	1,384.66	13,84,660	1,384.66

(B) Other Equity

Particulars	Securities Premium Reserve	General Reserve	Capital Redemption Reserve	Other Comprehensive Income	Profit and Loss Account	Total
Balance as at March 31, 2020	5,120.69	367.84	195.05	-	10,552.22	16,235.80
Total Comprehensive Income for the year	-	-	-	-	(1,171.86)	(1,171.86)
Additions/ (deductions) during the year	-	-	-	-	-	-
Balance as at March 31, 2021	5,120.69	367.84	195.05	-	9,380.36	15,063.94
Total Comprehensive Income for the year	-	-	-	-	12,202.93	12,202.93
Additions/ (deductions) during the year	-	-	-	-	-	-
Balance as at Sep 30, 2021	5,120.69	367.84	195.05	-	21,583.29	27,266.87

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For Ashok Kumar Malhotra & Associates

Chartered Accountants

Firm Registration No.014498C

Ashok Kumar Malhotra

Proprietor

Membership No.082258

Place : Delhi

Date : 19/112021

UDIN: 21082258AAAABD8980

For and on behalf of the board

Manish Dhanuka

Managing Director

DIN: 00238798

Date : 19/112021

Place : Delhi

Arjun Dhanuka

Director

DIN: 00454689

Date : 19/112021

Place : Delhi

Sunil Gupta

CFO

Date : 19/112021

Place : Delhi

Pavitra Mishra

Company Secretary

M.No. 59114

Date : 19/112021

Place : Delhi

Dhanuka Laboratories Limited

Notes to the Standalone financial statements for the period ended September 30, 2021

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

4 Property, plant and equipment

Particulars	Tangible Assets									
	Freehold Land & Site Development	Buildings	Plant and Machinery	Furniture and Fittings	Vehicles	Computers	Electrical Equipments	Office Equipment	Laboratory Equipment	Total
Deemed Cost										
Cost as at March 31, 2020	613.64	3,601.84	11,144.30	123.01	148.98	116.45	656.27	53.27	501.25	16,959.01
Additions	-	1.35	32.49	-	67.06	12.06	2.15	0.13	1.85	117.09
Disposals	-	-	(1.99)	-	(60.71)	-	-	-	-	(62.70)
Cost as at March 31, 2021	613.64	3,603.19	11,174.80	123.01	155.33	128.51	658.42	53.40	503.10	17,013.40
Additions	-	1.57	56.59	-	-	0.71	1.67	1.88	14.40	76.82
Disposals	-	-	(6.28)	-	-	-	-	-	-	(6.28)
Cost as at Sep 30, 2021	613.64	3,604.76	11,225.11	123.01	155.33	129.22	660.09	55.28	517.50	17,083.94
Depreciation/ Amortisation										
As at March 31, 2020	-	540.56	3,236.78	50.21	78.38	98.33	215.48	31.25	208.95	4,459.94
Depreciation for the year	-	116.44	536.14	10.30	15.61	3.15	54.53	6.51	42.42	785.10
Disposals	-	-	(0.22)	-	(39.81)	-	-	-	-	(40.03)
As at March 31, 2021	-	657.00	3,772.70	60.51	54.18	101.48	270.01	37.76	251.37	5,205.01
Depreciation for the year		60.18	269.62	4.95	8.61	2.16	27.12	3.14	20.10	395.88
Disposals		-	-	-	-	-	-	-	-	-
As at Sep 30, 2021	-	717.18	4,042.32	65.46	62.79	103.64	297.13	40.90	271.47	5,600.89
Net Carrying Value										
As at March 31, 2020	613.64	3,061.28	7,907.52	72.80	70.60	18.12	440.79	22.02	292.30	12,499.07
As at March 31, 2021	613.64	2,946.19	7,402.10	62.50	101.15	27.03	388.41	15.64	251.73	11,808.39
As at Sep 30, 2021	613.64	2,887.58	7,182.79	57.55	92.54	25.58	362.96	14.38	246.03	11,483.05

Notes :

Refer note 43 for information on movable assets which are pledged as security by the company to banks

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Dhanuka Laboratories Ltd. New Delhi

Dhanuka Laboratories Limited

Notes to the Standalone financial statements for the period ended September 30, 2021

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Notes	Particulars	As at Sep 30, 2021	As at March 31, 2021
5	**Non-current investments**		
	(I) Investment in Equity Instruments		
	(a) Quoted- At Cost		
	367,19,957 equity shares (previous year, 400,00,072) of Rs.10 each in Orchid Pharma Limited, fully paid up	3,672.00	4,000.01
	(b) Unquoted- At Cost		
	50 equity shares (previous year 50) of Rs. 10 each in Saraswat Co-operative Bank, fully paid up	0.01	0.01
	(c) Unquoted- At Fair Value through Profit & Loss		
	1,000 equity shares (previous year 1,000) of Rs. 10 each in Otsuka Chemical (India) Private Limited, fully paid up	1.60	1.60
	(II) Investment in debentures		
	(a) Unquoted- At Cost		
	1,43,000 Optionally Convertible Debentures (Quasi Equity) (previous year 1,43,000) of Rs.100,000 each in Orchid Pharma Limited, fully paid up	14,300.00	14,300.00
	(III) Investments in Partnership Firms at Cost		
	(a) Synmedic Laboratories	6,008.16	4,790.61
	98% of Capital is held with Synmedic Laboratories , 1% held with Manish Dhanuka, 1% held with Harsh Dhanuka		
	(b) IKO Overseas	18.84	21.03
	98% of Capital is held with IKO Overseas , 1% held with Arjun Dhanuka, 1% held with Harsh Dhanuka		
	(IV) Investments in Mutual Funds at Cost	6.12	-
		24,006.73	**23,113.26**
	Total non-current investments		
	(A) Aggregate value of quoted investments	3,672.00	4,000.01
	(B) Aggregate market value of quoted investments	3,672.00	4,000.01
	(C) Aggregate value of unquoted investments	20,334.73	19,113.25
6	**Other non-current financial assets**		
	(Unsecured, considered good)		
	Term Deposits	-	-
	In fixed deposit (maturity after 12 months)		
	Deposits with Government Authorities	7.44	7.44
	Other Deposits	267.87	267.25
		275.31	**274.69**

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Dhanuka Laboratories Ltd. New Delhi

Dhanuka Laboratories Limited

Notes to the Standalone financial statements for the period ended September 30, 2021

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Notes	Particulars	As at Sep 30, 2021	As at March 31, 2021
7	**Inventories**		
	Raw Materials	6,504.21	3,919.14
	Intermediates & Work-in-progress	5,909.16	5,063.46
	Stores and Spare parts	10.86	10.86
	Chemicals and Consumables	42.95	57.06
	Packing Materials	-	-
		12,467.18	**9,050.52**
	(a) The mode of valuation of inventories has been stated in note no 3(f)		
	(b) Refer note 43 for information on Inventories pledged as security by the company to banks		
8	**Trade Receivables**		
	Trade Receivables considered good - Unsecured*	9,241.85	7,231.01
		9,241.85	7,231.01
	Less: Provision for Bad Debts	-	-
		9,241.85	**7,231.01**
	(a) *Of the above, trade receivable from related parties are given below.		
	Unsecured, considered good	**31.64**	**77.25**
	(b) Refer note 43 for information on Trade Receviable pledged as security by the company to banks		
9	**Cash and cash equivalents**		
	Cash on hand	5.60	3.41
	Balances with banks		
	In current accounts	3.53	19.06
	Term Deposits		
	In fixed deposit (with original maturity less than 3 months)	257.01	19.62
		266.14	**42.09**
10	**Other Bank Balances**		
	In Fixed Deposits with banks (maturing within 12 months from the reporting date)	359.68	30.50
		359.68	**30.50**
11	**Other current financial assets**		
	(Unsecured, considered good)		
	Interest accrued	0.95	0.50
	Rent Advances	0.21	0.43
	Prepaid finance charges	7.35	11.22
		8.51	**12.15**
12	**Current tax assets**		
	Advance income tax (net of provision for tax)	833.56	8.84
	MAT Credit Entitlement*	-	-
		833.56	**8.84**

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Dhanuka Laboratories Ltd. New Delhi

Dhanuka Laboratories Limited

Notes to the Standalone financial statements for the period ended September 30, 2021

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Notes	Particulars	As at Sep 30, 2021	As at March 31, 2021
13	**Other current assets**		
	(Unsecured, considered good)		
	Advance recoverable in cash or in kind or for value to be received		
	Advance to suppliers	159.48	517.84
	Prepaid expenses	50.44	37.55
	Advance Licence Benefit	673.82	325.94
	Balances with Statutory Authorities	3,025.89	2,049.35
	Employees Advances	6.51	9.18
	Others amounts receivable	0.76	0.76
		3,916.90	**2,940.62**
14	**Equity Share Capital**		
	Authorised Share Capital		
	14,50,000 Equity Shares of 100.00 each, (Previous year 14,50,000 Equity Shares of Rs. 100.00 each)	1,450.00	1,450.00
		1,450.00	**1,450.00**
	Issued Share Capital		
	13,84,660 Equity Shares of Rs. 100.00 each, (Previous year 13,84,660 Equity Shares of Rs. 100.00 each)	1,384.66	1,384.66
		1,384.66	**1,384.66**
	Subscribed and fully paid up share capital		
	13,84,660 Equity Shares of Rs. 100.00 each, (Previous year 13,84,660 Equity Shares of Rs. 100.00 each)	1,384.66	1,384.66
		1,384.66	**1,384.66**
(a)	**Reconciliation of number of equity shares subscribed**		
	Balance as at the beginning of the year	13,84,660	13,84,660
	Add: Issued during the year	-	-
	Less : Shares cancelled (Buyback)	-	-
	Balance at the end of the year	**13,84,660**	**13,84,660**

(b) **Shareholders holding more than 5% of the total share capital**

Name of the share holders	As at Sep 30, 2021		As at March 31, 2021	
	%	No of shares	%	No of shares
Mr. Arun Kumar Dhanuka	9.77	1,35,222.00	9.77	1,35,222.00
Pushpa Dhanuka Trust	13.00	1,79,970.00	13.00	1,79,970.00
Mr. R.G. Agarwal	5.53	76,600.00	5.53	76,600.00
Mr. Manish Dhanuka	14.70	2,03,495.00	14.70	2,03,495.00
Triveni Trust	25.52	3,53,330.00	25.52	3,53,330.00

As per the records of the Company, including its Register of Shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

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Dhanuka Laboratories Ltd. New Delhi

(c) **Terms/Rights attached to Issued Equity Shares**

The company has only one class of equity shares having a par value of Rs.100 each. The equity shares of the company having par value of Rs.100/- rank pari-passu in all respects including voting rights and entitlement to dividend.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts, the distribution will be in proportion to the number of Equity Shares held by the shareholders.

Notes	Particulars	As at Sep 30, 2021	As at March 31, 2021
15	**Other Equity**		
	Securities Premium	5,120.69	5,120.69
	Capital Redemption Reserve	195.05	195.05
	General Reserve	367.84	367.84
	Profit and Loss Account	21,583.29	9,380.36
		27,266.87	**15,063.94**
	a) Securities Premium		
	Balance at the beginning of the year	5,120.69	5,120.69
	Additions during the year	-	-
	Deletion during the year	-	-
	Balance at the end of the year	**5,120.69**	**5,120.69**
	b) Capital Redemption Reserve		
	Balance at the beginning of the year	195.05	195.05
	Additions during the year	-	-
	Deletion during the year	-	-
	Balance at the beginning and end of the year	**195.05**	**195.05**
	c) General Reserve		
	Balance at the beginning of the year	367.84	367.84
	Additions during the year	-	-
	Deletion during the year	-	-
	Balance at the beginning and end of the year	**367.84**	**367.84**
	d) Profit and Loss Account		
	Balance at the beginning of the year	9,380.36	10,552.22
	Net profit for the period	12,202.93	(1,171.86)
	Adjustments to retained earnings	-	-
	Balance at the end of the year	**21,583.29**	**9,380.36**

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Dhanuka Laboratories Ltd. New Delhi

Dhanuka Laboratories Limited

Notes to the Standalone financial statements for the period ended September 30, 2021

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Notes	Particulars	As at Sep 30, 2021	As at March 31, 2021
16	**Long Term Borrowings - at amortised cost**		
	Secured *		
	From Banks		
	Rupee Term Loans		
	Foreign Currency Term Loans	648.99	1,371.56
	From NBFC	17.85	20.73
	Unsecured Loans		
	From NBFC	-	-
	From Directors	-	-
	From Others	-	-
	Less: Current maturities of Long Term Debt (refer note 22)	(648.99)	(1,188.69)
		17.85	**203.60**
	* Refer Note 43 for repayment terms and security details		
17	**Provisions (Non-current)**		
	Provision for Employee Benefits		
	Compensated absence	115.91	120.40
		115.91	**120.40**
18	**Deferred Tax Asset / (Liability) - Net**		
	Deferred Tax Liability		
	On Fixed Assets	1,111.80	1,089.37
	On Others	(4.44)	0.19
		1,107.36	1,089.56
	Deferred Tax Asset		
	On Fixed Assets	-	-
	On unabsorbed tax depreciation	57.68	57.68
	On unabsorbed Capital Loss	-	-
	On Others	-	-
	Net deferred tax asset / (liability)	**(1,049.68)**	**(1,031.88)**
19	**Current liabilities - Borrowings**		
	Secured*		
	Working Capital Facilities / Borrowings	8,537.15	11,351.57
	Loans from NBFC	5.65	7.10
	Unsecured		
	Loans from NBFC	-	-
	Loans from Others	-	5,600.00
	Loans from Directors	11,321.99	9,021.99
		19,864.79	**25,980.66**
	* Refer Note 43 for repayment terms and security details		

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Dhanuka Laboratories Ltd. New Delhi

Dhanuka Laboratories Limited

Notes to the Standalone financial statements for the period ended September 30, 2021

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Notes	Particulars	As at Sep 30, 2021	As at March 31, 2021
20	**Trade payables**		
	Dues to Micro enterprises and Small enterprises *	4.82	7.93
	Dues to Creditors other than Micro and Small enterprises	10,233.02	8,820.80
		10,237.84	**8,828.73**
	* Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management represents the principal amount payable to these enterprises. Please refer note 39.		
21	**Provisions (Current)**		
	Provision for employee benefits		
	- Compensated absence	24.92	31.57
	Provision for Income Tax	1,812.88	-
		1,837.80	**31.57**
22	**Other current liabilities**		
	Current maturities of Term Loans	648.99	1,188.69
	Interest accrued on borrowings	393.02	570.68
	Statutory Liabilities	27.74	82.16
	Advance and deposits from customers etc.,	13.76	25.10
		1,083.51	**1,866.63**

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Dhanuka Laboratories Ltd. New Delhi

Dhanuka Laboratories Limited

Notes to the Standalone financial statements for the period ended September 30, 2021

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Notes	Particulars	For the period ended Sep 30, 2021	For the period ended March 31, 2021
23	**Revenue from operations**		
	Sale of Products		
	Manufactured goods	19,199.67	38,157.12
		19,199.67	**38,157.12**
24	**Other income**		
	Interest income	2.77	4.65
	Dividend Received	0.04	-
	Profit on sale of assets	-	-
	Profit on sale of Investments	15,712.62	-
	Foreign exchange gain (net)	46.14	572.04
	Cash Discount	28.51	0.44
	Other non-operating income	0.53	1.88
		15,790.61	**579.01**
25	**Cost of materials consumed**		
	Opening inventory of raw materials	3,919.14	3,967.52
	Add : Purchases	18,341.94	29,354.66
	Less : Closing inventory of raw materials	(6,504.21)	(3,919.14)
		15,756.87	**29,403.04**
26	**Changes in inventories of work-in-progress, stock in trade and finished goods**		
	Opening Balance		
	Intermediates & Work-in-progress	5,063.46	4,221.97
	Finished Goods	-	-
		5,063.46	**4,221.97**
	Closing Balance		
	Intermediates & Work-in-progress	5,909.16	5,063.46
	Finished Goods	-	-
		5,909.16	**5,063.46**
	Total changes in inventories	**845.70**	**841.49**
27	**Employee benefits expense**		
	Salaries and wages	783.38	1,551.38
	Directors' Remuneration & perquisites	20.50	34.77
	Contribution to provident and other funds	46.64	88.61
	Staff welfare expenses	19.64	31.35
		870.16	**1,706.11**
28	**Finance Cost**		
	Interest on Term Loans	15.07	172.30
	Interest On Deposits	527.78	1,493.02
	Interest on others	575.54	585.35
		1,118.39	**2,250.67**

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Dhanuka Laboratories Ltd. New Delhi

Dhanuka Laboratories Limited

Notes to the Standalone financial statements for the period ended September 30, 2021

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Notes	Particulars	For the period ended Sep 30, 2021	For the period ended March 31, 2021
29	**Depreciation and amortisation expense**		
	Depreciation on Property, Plant and Equipment	395.88	785.11
		395.88	**785.11**
30	**Other expenses**		
	Power and Fuel	1,966.67	2,906.16
	Job Work/Conversion Charges	1.46	74.20
	Consumption of Stores, Spares & Chemicals	110.17	184.00
	Consumption of Packing Material	64.09	123.36
	Repairs to buildings	2.88	7.48
	Repairs to Machinery	178.52	331.02
	Factory maintenance	53.38	107.64
	Lab Expenses	34.90	84.56
	Research & Development Expenses	5.20	11.93
	Freight & Cartage	14.88	27.01
	Rent	-	1.44
	Insurance	31.91	61.67
	Rates & Taxes	13.44	13.10
	Postage, Telephone & Telex	14.83	26.71
	Printing & Stationery	16.62	29.57
	Vehicle Maintenance	18.29	29.99
	Recruitment expenses	0.25	0.20
	Travelling and Conveyance	80.47	147.54
	Commission on Sales	347.37	743.95
	Freight Outwards	33.29	43.25
	Business Promotion and Selling Expenses	4.85	15.28
	Lease Rentals	80.27	164.88
	Consultancy & Professional Fees	29.18	90.60
	Loss on sale of assets	-	2.78
	Loss From Investment in Partnership Firm	362.79	1,212.15
	Expenses for Sale of Shares	159.95	-
	Bank charges	5.23	28.25
	Miscellaneous expenses	28.07	54.19
		3,661.01	**6,527.01**
30 (a)	**Payment to auditors ***		
	As auditors - statutory audit	1.08	2.15
	For certificate and other services	0.98	1.95
		2.06	4.10
	* Excluding taxes		

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Notes	Particulars	For the period ended Sep 30, 2021	For the period ended March 31, 2021
31	**Exceptional items**		
	Exceptional items	-	37.78
		-	37.78
32	Income tax expense		
	(a) Income tax expense		
	Current tax		
	Current tax on profits for the year	1,812.88	-
	Total current tax expense	**1,812.88**	-
	Deferred tax		
	Deferred tax adjustments	17.80	39.75
	Total deferred tax expense/(benefit)	**17.80**	**39.75**
	MAT Credit Entitlement		
	MAT Credit Entitlement	-	-
	Total MAT Entitlement	-	-
	Income tax expense	**1,830.68**	**39.75**

c) Movement of deferred tax expense for the year ended September 30, 2021

Deferred tax (liabilities)/assets in relation to:	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Property, plant, and equipment and Intangible Assets	(1,089.37)	(22.42)		(1,111.80)
Unabsorbed tax depreciation*	57.68	-		57.68
Unabsorbed Capital Loss	-	-		-
Other temporary differences	(0.19)	4.62		4.44
	(1,031.88)	**(17.80)**	-	**(1,049.68)**

e) Movement of deferred tax expense during the year ended March 31, 2021

Deferred tax (liabilities)/assets in relation to:	Opening balance	Recognised in profit or loss	Recognised in OCI	Closing balance
Property, plant, and equipment and Intangible Assets	(983.49)	(105.89)	-	(1,089.37)
Unabsorbed tax depreciation*	-	57.68	-	57.68
Unabsorbed Capital Loss	-	-	-	-
Other temporary differences	(8.64)	8.45	-	(0.19)
	(992.13)	**(39.76)**	-	**(1,031.88)**

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Notes to the Standalone financial statements for the period ended September 30, 2021

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Notes	Particulars	For the period ended Sep 30, 2021	For the period ended March 31, 2021
33	**Earnings per share**		
	Profit for the year attributable to owners of the Company	12,202.93	(1,171.86)
	Weighted average number of ordinary shares outstanding	13,84,660	13,84,660
	Weighted average number of ordinary shares outstanding for Diluted earnings per share	13,84,660	13,84,660
	Basic earnings per share (Rs)	881.29	(84.63)
	Diluted earnings per share (Rs)	881.29	(84.63)
34	**Earnings in foreign currency**		
	FOB value of exports	6,027.22	18,899.17
		6,027.22	**18,899.17**
35	**Expenditure in foreign currency (on accrual basis)**		
	Business Promotion	-	8.22
	Commission	228.54	489.21
	Interest on ECB	6.17	51.96
	Interest on Buyer's Credit	48.56	36.30
	Laboratory Expenses	-	1.28
	Computer Expenses	-	8.29
		283.27	**595.26**
36	**CIF value of imports**		
	Raw Materials and packing materials	9,411.88	18,567.10
	Capital goods	-	-
	Interest paid for Fixed Assets	-	-
		9,411.88	**18,567.10**

37 **Value of imported and indigenous Raw material Consumed during the financial year and the percentage of each to the total consumption**

Particulars	For the period ended Sep 30, 2021		For the period ended March 31, 2021	
	Rs. In Lakhs	Percentage (%)	Rs. In Lakhs	Percentage (%)
Raw Materials and Packing Materials				
Imported	9,943.18	66.68	19,218.32	65.36
Others	4,968.29	33.32	10,184.72	34.64
	14,911.48	**100.00**	**29,403.04**	**100.00**
Stores, Spares and Consumable stores				
Imported	-	-		-
Others	110.17	100.00	184.00	100.00
	110.17	**100.00**	**184.00**	**100.00**

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38 **Expenditure on Corporate Social Responsibility**

Particulars	For the period ended Sep 30, 2021	For the period ended March 31, 2021
(a) Gross amount required to be spent by the company during the year:	6.47	16.63
(b) Amount spent during the year:	-	-
(i) Donations for sanitation of water and women education	-	-
(ii) Donation to The Akshya Patra Foundation for eradicating hungers	-	-
(iii) Donation and contributions for promoting health care including preventive health care for poor.	-	13.50
	-	-
(iv) Donation to The Prime Minister Relief Fund*	3.13	-
(v) Donation for Haryana State Corporate Social Responsibility Trust	15.00	-
	18.13	**13.50**

*Remaining unspent pertaining to F.Y 2020-21 amounted to Rs. 3.13 Lakhs towards CSR were deposited to PM Cares Fund in the month of September 2021 as per the provisions of the Companies Act, 2013 and Rules made thereunder.

39 **Disclosures required by the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 are as under ***

Particulars	For the period ended Sep 30, 2021	For the period ended March 31, 2021
(a) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	4.82	7.93
(b) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.58	0.96
(c) Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year		-
(d) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year		-
(e) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year		-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made		
Further interest remaining due and payable for earlier years		

*This information has been determined to the extent such parties have been identified on the basis of information available with the Company.

40 **Commitments and contingent liabilities**

Particulars	For the period ended Sep 30, 2021	For the period ended March 31, 2021
Contingent Liability		
Unexpired letters of credit	-	-
Bank guarantees outstanding	-	-
Claims against the company not acknowledged as debts	-	-
- Income Tax Demand Pending in Apeal	38.40	38.40
- Sales Tax dispute pending before Sales Tax authorities for C form	-	-
- Demand under Customs at Kandla	14.64	14.64
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	111.21	0.97

41 **Operating Segments**

The operations of the Company falls under a single primary segment i.e., "Pharmaceuticals" in accordance with Ind AS 108 "Operating Segments" and hence no segment reporting is applicable.

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Information relating to geographical areas

(a) Revenue from external customers

Particulars	For the period ended Sep 30, 2021	For the period ended March 31, 2021
India	13,172.45	19,257.95
Rest of the world	6,027.22	18,899.17
Total	19,199.67	38,157.12

(b) Non current assets

The manufacturing facilities of the Company is situated in India and no non-current assets are held outside India

(c) Information about major customers

Particulars	For the period ended Sep 30, 2021	For the period ended March 31, 2021
Number of external customers each contributing more than 10% of total revenue	-	-
Total revenue from the above customers	-	-

42 **Operating lease arrangements**

Particulars	For the period ended Sep 30, 2021	For the period ended March 31, 2021
As Lessee The Company has operating lease arrangements for premises. These are non-cancellable leases and can be extended on mutually agreed terms. There are no restrictions imposed by lease agreements. There are no subleases.		
-Payable within one year	118.92	97.25
-Later than one year but not later than five years	17.11	56.29
-Later than five years		-
Lease payments recognised in the Statement of Profit and Loss	80.27	164.88

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43 Terms and conditions of borrowings

Long term borrowings

Indian rupee loan includes loan from Bajaj Finserv Limited carrying interest @10.00% p.a., repayable in 60 monthly instalments commencing on September 5 , 2019. The loan is secured by Pari Passu first charge on all immovable and movable assets with Fixed Asset Coverage Ratio of 1.5x , Shares of Dhanuka Agritech Limited upto 1.5x (30 Cr) to be pledged by the promoters till security perfection . The loan is additionally secured by personal guarantee of Directors of the Company.

The company has taken Car Loan from ICICI Limited and Daimler Financial Services India Private Limited carrying interest @7.5% p.a & @10% p.a, repayable in 36 and 60 monthly instalments commencing on January 10,2021 & July 07, 2020. The loan is secured by hypothecation of the vehicle.

Foreign currency loan includes loan from HSBC Mauritius and DBS Singapore.

Loan from HSBC

The Company has taken two loans from the said bank which includes loan amounting to USD 6000000 disbursed in two tranches of USD 3000000 each taken on 24-09-2015 and USD 2000000 taken on 20-06-2017. The USD 3000000 loans carries interest @ LIBOR plus 160 Basic Points and the another loan of USD 2000000 carries interest @ LIBOR plus 160 Basic Points . These loans are repayable in 16 quarterly instalments commencing from the quarter beginning on July 15 , 2017, January 15 , 2018 ,and October 20 , 2018 respectively . Further These loans are secured by Pari Passu first charge secured by way of mortgage on Land & Building situated at Factory premises at Keshwana Rajasthan and 7KM old Manesar Road ,Gurgaon , First charge on all movable Fixed asset at Keshwana ,Rajasthan and 7 KM old Manesar Road Gurgaon . All the term loans are additionally secured by personal guarantee of Directors (M K Dhanuka , Manish Dhanuka , Arun Dhanuka , Arjun Dhanuka , Seema Dhanuka , Rahul Dhanuka, Urmila Dhanuka, Mridul Dhanuka , Pushpa Dhanuka) of the Company.

Loan from DBS

The company has taken loan amounting to USD 1500000 from the said bank sanctioned on 14-08-2016.The loan carrries interest @ LIBOR plus 200 Basic Points. The loan is repayable in 16 quarterly installments commencing from the quarter beginning on April 15 , 2018. Further These loans are secured by Pari Passu first charge secured by way of mortgage on Land & Building situated at Factory premises at Keshwana Rajasthan and 7KM old Manesar Road ,Gurgaon , First charge on all movable Fixed asset at Keshwana ,Rajasthan and 7 KM old Manesar Road Gurgaon . All the term loans are additionally secured by personal guarantee of Directors (M K Dhanuka , Manish Dhanuka , Arun Dhanuka , Arjun Dhanuka , Seema Dhanuka , Rahul Dhanuka, Urmila Dhanuka, Mridul Dhanuka , Pushpa Dhanuka) of the Company.

Short term borrowings

The short term borrowings of the Company includes Cash Credit Limit from various banks namely HDFC, Indusind, DBS, HSBC, Yes Bank and The Hongkong and Shanghai Banking Corporation Ltd. and Working Capital Limit from HDFC, Indusind, DBS, HSBC and Yes Bank which are secured by hypothecation of Raw Material, Work-in-Progress, Finished Goods, Packing Material, Stores & Spares,and Book Debt of Company and by second charge on Land & Building, Plant & Machinery and other movable Fixed Assets. The borrowings from banks are additionally secured by personal guarantee of Directors of the Company.

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44 Financial Instruments

Capital management

The Company manages its capital to ensure that entities in the Company will be able to continue as going concern, while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity, long-term borrowings and other short-term borrowings.

For the purposes of the Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders.

Gearing Ratio:	**September 30, 2021**	**March 31, 2021**
Debt	666.84	1,392.29
Less: Cash and bank balances	625.82	72.59
Net debt	41.02	1,319.70
Total equity	28,651.53	16,448.60
Gearing ratio (%)	0.14%	8.02%

Categories of Financial Instruments	**September 30, 2021**	**March 31, 2021**
Financial assets		
a. Measured at amortised cost		
Other non-current financial assets	275.31	274.69
Trade receivables	9,241.85	7,231.01
Cash and cash equivalents	266.14	42.09
Bank balances other than above	359.68	30.50
b. Measured at Fair Value Through P&L		
Investments	1.60	1.60
Financial liabilities		
a. Measured at amortised cost		
Borrowings (non-current)	17.85	203.60
Borrowings (current)	19,864.79	25,980.66
Trade payables	10,237.84	8,828.73

Financial risk management objectives

The treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimise the effects of these risks by using natural hedging financial instruments and forward contracts to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on foreign exchange risk, the use of financial derivatives, and the investment of excess liquidity. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Company actively manages its currency and interest rate exposure through its finance division, wherever required, to mitigate the risks from such exposures.

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Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Company actively manages its currency rate exposures through a centralised treasury division and uses natural hedging principles to mitigate the risks from such exposures.

Disclosure of hedged and unhedged foreign currency exposure

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Particulars	Currency	September 30, 2021		March 31, 2021	
		Amount outstanding FCY	Amount outstanding INR	Amount outstanding FCY	Amount outstanding INR
Liabilities					
Unhedged foreign currency exposure					
Stand By Leter Of Credit	USD	45.24	3,355.24	39.10	2,640.91
Indusind Bank(FCNR)	USD	13.62	1,010.22		
External Commercial Borrowings	USD	8.75	648.99	18.75	1,371.56
Trade Payable	USD	41.08	3,047.27	43.74	3,199.94
Hedged foreign currency exposure					
Assets					
Unhedged foreign currency exposure					
Trade Receivables	USD	35.63	2,622.18	18.40	1,345.85
EEFC Account Balance	USD	0.01	0.67	0.04	2.87
Foreign Currency in Hand	USD	0.02	0.00	0.02	0.00
Foreign Currency in Hand	EURO	0.00	0.00	0.00	0.00
Foreign Currency in Hand	Others	0.01	0.00	0.01	0.00
Hedged foreign currency exposure					

Foreign currency sensitivity analysis

Movement in the functional currencies of the various operations of the Company against major foreign currencies may impact the Company's revenues from its operations. Any weakening of the functional currency may impact the Company's cost of imports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures. The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 2%, which represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 2% change in foreign currency rates.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because of the existing exchange earning capacity of the company on account of its EOU status (Export oriented undertaking) and higher proportion of earnings in foreign exchange through exports.

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Interest rate risk management

The Company is exposed to interest rate risk because it borrows funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied. Further, in appropriate cases, the Company also effects changes in the borrowing arrangements to convert floating interest rates to fixed interest rates.

Interest rate sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 25 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Credit risk management

Credit risk arises when a customer or counterparty does not meet its obligations under a customer contract or financial instrument, leading to a financial loss. The Company is exposed to credit risk from its operating activities primarily trade receivables and from its financing/ investing activities, including deposits with banks and foreign exchange transactions. The Company has no significant concentration of credit risk with any counterparty.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure is the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, margin money and other financial assets excluding equity investments.

(a) Trade Receivables

The Company has credit evaluation policy for each customer and based on the evaluation, credit limit of each customer is defined. Wherever the Company assesses the credit risk as high, the exposure is backed by either bank guarantee/letter of credit or security deposits.

The Company does not have higher concentration of credit risks to a single customer. As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default in payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

(b) Investments, Cash and Cash Equivalents and Bank Deposits

Credit Risk on cash and cash equivalents, deposits with the banks/financial institutions is generally low as the said deposits have been made with the banks/financial institutions, who have been assigned high credit rating by international and domestic rating agencies.

Credit Risk on Derivative Instruments is generally low as the Company enters into the Derivative Contracts with the reputed Banks.

Investments of surplus funds are made only with approved banks/ financial institutions/ counterparty. Investments primarily include bank deposits, etc. These bank deposits and counterparties have low credit risk. The Company has standard operating procedures and investment policy for deployment of surplus liquidity, which allows investment in bank deposit and restricts the exposure in equity markets.

Offsetting related disclosures

Offsetting of cash and cash equivalents to borrowings as per the bank agreement is available only to the bank in the event of a default. Company does not have the right to offset in case of the counter party's bankruptcy, therefore, these disclosures are not required.

Liquidity risk management

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 invests its surplus funds in bank fixed deposits, which carry minimal mark to market risks. The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

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Liquidity tables

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

30th September 2021	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	10,237.84	-	-	10,237.84
Borrowings (including interest accrued thereon upto the reporting date)	648.99	-	-	648.99
	10,886.83	**-**	**-**	**10,886.83**

March 31, 2021	Due in 1st year	Due in 2nd to 5th year	Due after 5th year	Carrying amount
Trade payables	8,828.73	-	-	8,828.73
Borrowings (including interest accrued thereon upto the reporting date)	1,188.69	182.87	-	1,371.56
	10,017.42	**182.87**	**-**	**10,200.29**

	30th September 2021	**March 31, 2021**
Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required):	Nil	Nil

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45 Related party disclosure

a) List of parties having significant influence

Subsidiary Company	Orchid Pharma Limited
Subsidiary of Orchid Pharma Limited	Orchid Europe Limited, UK Orchid Pharmaceuticals Inc., USA Orgenus Pharma Inc., USA (Subsidiary of Orchid Pharmaceuticals Inc USA.) Orchid Pharma Inc / Karalex Pharma USA, (Subsidiary of Orchid Pharmaceuticals Inc, USA) Orchid Pharmaceuticals SA (Proprietary) Limited, South Africa Bexel Pharmaceuticals Inc., USA Diakron Pharmaceuticals Inc., USA
Key management personnel (KMP)	Mr. Manish Dhanuka (Managing Director) Mr. Arjun Dhanuka (Whole time Director) Mr. Sunil Gupta (CFO) Mr. Pavitra Mishra (Company Secretary)
Relatives of KMP	Mrs. Seema Dhanuka (Wife of Manish Dhanuka) Mr, Arun Kr. Dhanuka (Brother of Manish Dhanuka) Mr, Arun Kr. Dhanuka (Father of Arjun Dhanuka)
Entities in which relatives of KMP exercise significant influence	Dhanuka Agritech Limited (Enterprises over which KMP and their relatives have significant influence) Otsuka Chemical (India) Private Limted (Enterprises over which KMP and their relatives have significant influence) Synmedic Laboratories (98%) Parnership Firm Iko Overseas (98%) Parnership Firm

b) Transactions during the year

S.No.	Nature of transactions	Year ended September 30, 2021	Year ended March 31, 2021
1	**Unsecured Loan Taken**		
	Mr. Manish Dhanuka	925.00	190.00
	Mr. Arjun Dhanuka	550.00	313.00
	Mrs. Seema Dhanuka	470.00	139.00
	Mr. Arun Kr..Dhanuka	630.00	95.00
	Dhanuka Agritech Limited	1,100.00	1,900.00
2	**Unsecured Loan Repaid**		
	Mr. Manish Dhanuka	150.00	165.85
	Mr. Arjun Dhanuka	400.00	50.00
	Mrs. Seema Dhanuka	-	23.00
	Mr. Arun Kr..Dhanuka	15.00	138.00
	Dhanuka Agritech Limited	5,000.00	500.00
3	**Interest Paid**		
	Mr. Manish Dhanuka	60.05	117.32
	Mr. Arjun Dhanuka	15.54	20.38
	Mrs. Seema Dhanuka	26.65	48.89
	Mr. Arun Kr..Dhanuka	4.80	7.53
	Dhanuka Agritech Limited	101.81	311.48

S.No.	Nature of transactions	Year ended September 30,	Year ended March 31, 2021
4	**Sale of goods**		
	Otsuka Chemical (India) Private limited	4.46	1.09
	Synmedic Laboratories	253.45	210.69
	Orchid Pharma Limited	846.90	936.17
5	**Purchase of Goods**		
	Otsuka Chemical (India) Private limited	3,760.29	6,956.66
	Synmedic Laboratories	123.49	184.60
	Dhanuka Agritech Limited	-	1.81
	Orchid Pharma Limited	564.59	33.84
6	**Purchase of Capital Goods**		
	Dhanuka Agritech Limited	-	-
	Synmedic Laboratories	-	-
7	**Rent Paid**		
	Dhanuka Agritech Limited	-	0.28
8	**Rent Received**		
	Synmedic Laboratories	-	0.24
9	**Divident Received**		
	Otsuka Chemical (India) Private limited	0.04	-
10	**Remuneration and contribution to funds**		
	Mr. Manish Dhanuka	-	8.48
	Mr. Arjun Dhanuka	20.50	26.30
	Mr. Sunil Gupta	7.39	14.78
	Mr. Pavitra Mishra	2.25	4.50

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c) Balances at the end of the year

S.No.	Nature of transactions	Year ended September 30,	Year ended March 31, 2021
1	**Sundry Debtors**		
	Orchid Pharma Limited	31.64	77.25
	Dhanuka Agritech Limited	-	0.06
2	**Sundry Creditors**		
	Otsuka Chemical (India) Private limited	1,691.25	456.95
	Dhanuka Agritech Limited	-	-
3	**Unsecured Loans**		
	Mr. Manish Dhanuka	1,891.69	1,116.69
	Mr. Arjun Dhanuka	866.60	356.60
	Mrs. Seema Dhanuka	1,020.20	550.20
	Mr. Arun Kr..Dhanuka	633.51	18.51
	Dhanuka Agritech Limited	-	3,900.00
4	**Interest Accrued on Loans**		
	Mr. Manish Dhanuka	58.94	55.55
	Mr. Arjun Dhanuka	25.41	14.37
	Mrs. Seema Dhanuka	30.91	24.65
	Mr. Arun Kr..Dhanuka	15.21	4.44

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46 Retirement benefit plans

Defined contribution plans

In accordance with Indian law, eligible employees of the Company are entitled to receive benefits in respect of Gratuity fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions, as specified under the law, are made to the Provident fund, Gratuity fund, Superannuation fund as well as Employee State Insurance Fund.

Defined benefit plans

(a) Gratuity

Gratuity is payable as per Payment of Gratuity Act, 1972. In terms of the same, gratuity is computed by multiplying last drawn salary (basic salary including dearness Allowance if any) by completed years of continuous service with part thereof in excess of six months and again by 15/26. The Act provides for a vesting period of 5 years for withdrawal and retirement and a monetary ceiling on gratuity payable to an employee on separation, as may be prescribed under the Payment of Gratuity Act, 1972, from time to time. However, in cases where an enterprise has more favourable terms in this regard the same has been adopted.

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the market yields on government bonds denominated in Indian Rupees. If the actual return on plan asset is below this rate, it will create a plan deficit.
Interest risk	A decrease in the bond interest rate will increase the plan liability. However, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	September 30, 2021	March 31, 2021
Discount Rate	6.72% p.a. (Indicative G.Sec referenced on 31-03-	6.95% p.a. (Indicative G.Sec referenced on 31-03-2021)
Rate of increase in compensation level	7.00%	7.00%
Retirement Age	60 Years	60 Years
Mortality	Indian Assured Lives Mortality (2012-14) (Urban)	Indian Assured Lives Mortality (2006-08) (Ultimate)

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

Ashok Kumar Malhotra & Associates Chartered Accountants Noida

Dhanuka Laboratories Ltd. New Delhi

Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:	September 30, 2021 Rs. Lakhs	March 31, 2021 Rs. Lakhs
The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:		
Present Value of Benefit Obligation at the Beginning of the Period	360.23	340.99
Interest Cost	11.64	23.26
Current Service Cost	16.49	39.53
Past Service Cost	-	-
Benefit Paid From the Fund	(13.42)	(12.36)
The Effect Of Changes in Foreign Exchange Rates	-	-
Actuarial (Gains)/Losses on Obligations -	-	-
Due to Change in Demographic Assumptions	(0.03)	-
Due to Change in Financial Assumptions	1.06	(4.44)
Due to Experience	(4.17)	(26.74)
Present Value of Benefit Obligation at the End of the Period	**371.80**	**360.23**
Fair Value of Plan Assets		
Fair Value of Plan Assets at the Beginning of the Period	415.96	352.50
Interest Income	13.58	24.04
Contributions by the Employer	-	-
(Benefit Paid from the Fund)	(13.42)	(12.36)
The Effect of Changes In Foreign Exchange Rates	-	-
Return on Plan Assets, Excluding Interest Income	19.81	51.78
Fair Value of Plan Assets at the End of the Period	**435.94**	**415.96**
Present value of defined benefit obligation	371.80	360.23
Fair value of plan assets	(435.94)	(415.96)
Net liability/ (asset) arising from defined benefit obligation	**(64.14)**	**(55.74)**
Funded	(64.14)	(55.74)
Unfunded	-	-
	(64.14)	**(55.74)**
Current Liability	(64.14)	(55.74)
Non - Current Liability	-	-

Since the value of planned assets is greater than present value of obligation as on reporting period, the Company has not created any liability in the books of accounts.

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Dhanuka Laboratories Ltd. New Delhi

Sensitivity analysis

In view of the fact that the Company for preparing the sensitivity analysis considers the present value of the defined benefit obligation which has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

(b) Compensated absences

The leave scheme is a final salary defined benefit plan, that provides for a lumpsum payment at the time of separation; based on scheme rules the benefits are calculated on the basis of last drawn salary and the leave count at the time of separation and paid as lumpsum.

The design entitles the following risk

Interest rate risk	The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
Salary inflation risk	Higher than expected increases in salary will increase the defined benefit obligation.
Demographic risk	This is the risk of volatility of results due to unexpected nature of decrements that include mortality attrition, disability and retirement. The effects of these decrement on the DBO depends upon the combination salary increase, discount rate, and vesting criteria and therefore not very straight forward. It is important not to overstate withdrawal rate because the cost of retirement benefit of a short caring employees will be less compared to long service employees.

Amounts recognised in total comprehensive income in respect of these defined benefit plans are as follows:	**September 30, 2021** Rs. Lakhs	**March 31, 2021** Rs. Lakhs
The amount included in the balance sheet arising from the Company's obligation in respect of its defined benefit plans is as follows:		
Present value of defined benefit obligation	140.83	151.97
Net liability/ (asset) arising from defined benefit obligation	**140.83**	**151.97**
Funded		-
Unfunded	140.83	151.97
	140.83	**151.97**
Current Liability	24.92	31.57
Non - Current Liability	115.91	120.40

The above provisions are reflected under 'Provision for employee benefits- leave encashment' (long-term provisions) [Refer note 18] and 'Provision for employee benefits - leave encashment' (short-term provisions) [Refer note 22].

Ashok Kumar Malhotra & Associates Chartered Accountants Noida

Dhanuka Laboratories Ltd. New Delhi

47 The Company is in the process of carrying out a comprehensive confirmation and reconciliation of receivables, loans and advances given, payables, bank balances and other financial assets, the claims received from the employees, financial creditors (including excess/ short provision of interest, non-provision of penal interest by the Company considering the agreement reached by the joint lenders meeting) and operational creditors with the books of account.

Further, the Company is in the process of carrying out physical verification of fixed assets/ related reconciliation with the books of account and reconciliation of restatement account of foreign currency assets and liabilities

Pending completion of the aforesaid comprehensive reconciliation, the possible impact, if any, is not presently determinable. Accordingly, no adjustment has been made in the financial statements.

48 Previous year figures have been regrouped/reclassified, wherever necessary. However, impact of these reclassifications, if any, are not material.

As per our report of even date attached
For Ashok Kumar Malhotra & Associates
Chartered Accountants
Firm Registration No.014498C

Ashok Kumar Malhotra
Proprietor
Membership No.082258

For and on behalf of the board

Manish Dhanuka
Managing Director
DIN: 00238798
Date : 19/112021
Place : Delhi

Arjun Dhanuka
Director
DIN: 00454689
Date : 19/112021
Place : Delhi

Sunil Gupta
CFO
Date : 19/112021
Place : Delhi

Rajitra Mishra
Company Secretary
M.No. 59114
Date : 19/112021
Place : Delhi

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DHANUKA LABORATORIES LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Dhanuka Laboratories Limited** ("the Company"), whichcomprise the Balance Sheet as at **March 31, 2021**, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred toas"the standalone financialstatements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on thatdate.

Basis for Opinion

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

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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 thisregard.

Management's Responsibility for the Standalone FinancialStatements

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 standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud orerror.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to doso.The Board of Directors are responsible for overseeing the Company's financial reporting process.

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Auditor's Responsibilities for the Audit of the Standalone 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 skepticism 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.

- 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.

- 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.

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FRN 008015C
INDIA
Chartered Accountants

- 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.

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.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure "A"** statement on the matters Specified in paragraphs 3 and 4 of the Order, to the extent applicable

2. As required by section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **"Annexure B"** and

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

   i. The Company does not have any pending litigations which would impact its financial position.

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

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

For ASHOK KUMAR MALHOTRA & ASSOCIATES
Chartered Accountants
Firm Registration No.: 014498C

Ashok Kumar Malhotra
Proprietor
Membership No.: 082258
Place: Delhi
Dated: 22/10/2021
UDIN : 21082258AAAABB4636

"Annexure A" to the Independent Auditor's Report of even date to the members of "DHANUKA LABORATORIES LIMITED" on the financial statements for the year ended 31 March 2021.

Annexure A

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

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

(b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.

(c) We have inspected the original title deeds of the immovable properties of the company held as fixed assets which are in the custody of the company and obtained confirmation from the bank for those, which has been mortgaged with bank. Based on our audit procedure and the information and explanations given to us, the title deeds of immovable properties, as disclosed in the financial statements, are held in the name of the Company.

(ii) (a) As explained to us, the inventories of finished goods, stores, spare parts and raw materials were physically verified at regular intervals by the Management. In case of inventories lying with third parties, certificates of stocks holding have been received.

(b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification of stock as compared to book records.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion and according to the information and explanation given to us, the Company has not entered into any transaction covered under Sections 185 of the Act.

GOYAL MALHOTRA & ASSOCIATES FRN 008015C

(v) In our opinion and according to the information and explanation given to us, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts have been made and maintained. We have not however, made a detailed examination of such accounts and records

(vii) (a) According to the information and explanation given to us no undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise duty, value added tax, have generally been regularly deposited to the appropriate authorities.

(b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute except the following

Name of the Statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	38.40 Lac	A.Y. 2017-18	The Commissioner of Income Tax (Appeals) XIII, New Delhi
Customs Act, 1962	Custom Duty	14.64 Lac	F.Y. 2014-15	The Customs Excise and Service Tax Appellate Tribunal, Additional Zonal Branch, Ahmedabad.

(viii) Based on our audit procedure and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of loans or borrowings to a financial institution, bank government or dues to debenture holders.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and term loans taken have been applied by the Company during the year for the purposes for which they were raised,

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

GOYAL MALHOTRA & ASSOCIATES FRN 008015C INDIA Chartered Accountants

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with Section 177 and Section 188 of the Companies Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards,

(xiv) During the period under review, the Company has not made any preferential allotment or private placement as per Section 42 of the Companies Act, 2013.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act during the year.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For ASHOK KUMAR MALHOTRA & ASSOCIATES
Chartered Accountants
Firm Registration No.: 014498C

GOYAL MALHOTRA & ASSOCIATES
FRN 008015C
INDIA
Chartered Accountants

Ashok Kumar Malhotra
Proprietor
Membership No.: 082258
Place: Delhi
Dated: 22/10/2021
UDIN : 21082258AAAABB4636

Annexure "B" to the Auditors' Report

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

We have audited the internal financial controls over financial reporting **DHANUKA LABORATORIES LIMITED** ("the Company") as of **31st March 2021** 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 ('ICAI').

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

GOYAL MALHOTRA & ASSOCIATES FRN 008015C

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 31st March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For ASHOK KUMAR MALHOTRA & ASSOCIATES
Chartered Accountants
Firm Registration No.: 014498C

GOYAL MALHOTRA & ASSOCIATES FRN 008015 INDIA

Ashok Kumar Malhotra
Proprietor
Membership No.: 082258
Place: Delhi
Dated: 22/10/2021
UDIN : 21082258AAAABB4636