

**KOPRAN LIFESCIENCES LIMITED**  
**Balance Sheet as at March 31, 2021** (Amount In Rs.)

	Note No.	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>1. Non-Current Assets</b>			
Investment	4	10,00,000	10,00,000
<b>Total Non-Current Assets</b>		<b>10,00,000</b>	<b>10,00,000</b>
<b>2. Current Assets</b>			
Financial Assets			
Cash and Cash Equivalents	5	1,19,712	1,20,512
<b>Total Current Assets</b>		<b>1,19,712</b>	<b>1,20,512</b>
<b>Total Assets</b>		<b>11,19,712</b>	<b>11,20,512</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	6	5,00,000	5,00,000
Other Equity	7	(1,36,200)	(1,29,500)
<b>Total Equity</b>		<b>3,63,800</b>	<b>3,70,500</b>
<b>Liabilities</b>			
<b>1. Current Liabilities</b>			
Financial Liabilities			
Short Term Borrowing	8	7,00,000	7,00,000
Other Financial Liabilities	9	55,912	50,012
<b>Total Current Liabilities</b>		<b>7,55,912</b>	<b>7,50,012</b>
<b>Total Equity and Liabilities</b>		<b>11,19,712</b>	<b>11,20,512</b>

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

**For NGS & Co. LLP**

Chartered Accountants  
Firm Regn. No. 119850W

**For and on behalf of Board of Directors**

**Ashok A. Trivedi**

Partner  
M.No. 042472  
Mumbai  
May 26, 2021

**Surendra Somani**

Director  
DIN: 600860

**Ajit Jain**

Director  
DIN: 147277

**KOPRAN LIFESCIENCES LIMITED**

Statement of Profit and Loss for the Year Ended March 31, 2021

(Amount In Rs.)

	Note No.	Year Ended March 31, 2021	Year Ended March 31, 2020
<b>INCOME</b>			
Revenue From Operations		-	-
<b>Total Income</b>		-	-
<b>EXPENSES</b>			
Other Expenses	10	6,700	10,960
<b>Total Expenses</b>		<b>6,700</b>	<b>10,960</b>
<b>Profit Before Tax</b>		<b>(6,700)</b>	<b>(10,960)</b>
Tax Expense		-	-
<b>Profit For The Year</b>		<b>(6,700)</b>	<b>(10,960)</b>
Other Comprehensive Income For The Year		-	-
		-	-
<b>Total Comprehensive Income For The Year</b>		<b>(6,700)</b>	<b>(10,960)</b>
<b>Earnings Per Equity Share of Face Value of ₹ 10/- each</b>			
Basic And Diluted		<b>(0.13)</b>	<b>(0.15)</b>

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

**For NGS & Co. LLP**

Chartered Accountants

Firm Regn. No. 119850W

**For and on behalf of Board of Directors****Ashok A. Trivedi**

Partner

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**KOPRAN LIFESCIENCES LIMITED**

Cash Flow Statement for the Year ended March 31, 2021

(Amount In Rs.)

	Year Ended March 31, 2021	Year ended March 31, 2020
<b>A. <u>Cash flow from operating activities</u></b>		
Profit/(Loss) Before Tax	(6,700)	(10,960)
Operating profit before working capital changes	(6,700)	(7,600)
Changes in working capital:		
Increase / (Decrease) in Other Financial liabilities	5,900	6,800
<b>Net cash from operating activities (A)</b>	<b>(800)</b>	<b>(800)</b>
<b>B. <u>Cash flow from investing activities</u></b>		
<b>Net cash used in investing activities (B)</b>	-	-
<b>C. <u>Cash flow from financing activities</u></b>		
Proceeds / (Repayment) borrowings (Net)	-	-
<b>Net cash from financing activities (C)</b>	-	-
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(800)</b>	<b>(800)</b>
Cash and cash equivalents at the beginning of the year	1,20,512	1,25,572
Cash and cash equivalents at the end of the year	1,19,712	1,20,512
<b>Net increase/ (decrease) in cash and cash equivalents</b>	<b>(800)</b>	<b>(800)</b>
<b>Cash and cash equivalents comprise of:</b>		
Cash on Hand	-	-
Bank Balances:		
In Current Accounts	1,19,712	1,20,512
<b>Cash and cash equivalents at the end of the year</b>	<b>1,19,712</b>	<b>1,25,572</b>

**Notes:**

- Figures in brackets indicate cash outgo.
- Previous year's figures have been regrouped/ rearranged wherever necessary.

As per our report of even date attached

**For NGS & Co. LLP**

Chartered Accountants

Firm Regn. No. 119850W

**For and on behalf of Board of Directors****Ashok A. Trivedi**

Partner

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DIN: 600860

**Ajit Jain**

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## **KOPRAN LIFESCIENCES LIMITED**

### **Notes to Financial Statements for the Year ended March 31, 2021**

#### **1 Corporate Information**

Kopran Lifesciences Limited (“the Company”) is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The Company is engaged in the business of manufacturing of Active Pharmaceutical Ingredients (API).

The financial statements were authorised for issue by the board of directors on May 26, 2021.

#### **2 Significant Accounting Policies**

##### **2.1 Basis of preparation**

###### **Compliance with Ind AS**

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as “Ind AS”) as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

###### **Historical Cost Convention**

The Financial Statements have been prepared on the historical cost basis except for the followings:

- certain financial assets and liabilities and contingent consideration that is measured at fair value or amortised cost at the end of each reporting period.
- assets held for sale measured at fair value less cost to sell;
- defined benefit plans plan assets measured at fair value; and
- Derivative financial instruments;

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Financial Statements are presented in Indian Rupees (which is the functional currency of the Company) and all values are rounded to the nearest rupee except where otherwise stated.

##### **2.2 Current/non current classification**

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

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

All other assets are classified as non-current.

A liability is current when:

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

## **KOPRAN LIFESCIENCES LIMITED**

### **Notes to Financial Statements for the Year ended March 31, 2021**

The Company classifies all other liabilities as non-current.

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

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

#### **2.3 Summary of significant accounting policies**

##### **(a) Foreign currency translation**

###### **(i) 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 entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is entity's functional and presentation currency.

###### **(ii) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Monetary items denominated in foreign currency at the year end and not covered under forward exchange contracts are translated at the functional currency spot rate of exchange at the reporting date. Foreign exchange gains and 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 generally recognised in profit or loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the consolidated statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

##### **(b) Fair value measurement**

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

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

## **KOPRAN LIFESCIENCES LIMITED**

### **Notes to Financial Statements for the Year ended March 31, 2021**

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

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

The Company categorizes assets and liabilities measured at fair value into one of three levels as follows:

- **Level 1 — Quoted (unadjusted)**

This hierarchy includes financial instruments measured using quoted prices.

- **Level 2**

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

- **Level 3**

Level 3 inputs are unobservable inputs for the asset or liability.

**(c) Non-current assets held for sale**

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell and are disclosed separately under the head "Other Current Assets". once classified as held for sale are not depreciated or amortised.

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

For transition to Ind AS, the Company has elected to continue with the carrying value of its Property, Plant and Equipment (PPE) recognized as of April 01, 2016 (transition date) measured as per the Previous GAAP and used that carrying value as its deemed cost as on the transition date.

PPE are stated at actual cost less accumulated depreciation and impairment loss. Actual cost is inclusive of freight, installation cost, duties, taxes and other incidental expenses for bringing the asset to its working conditions for its intended use (net of recoverable taxes) and any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by the Management. It include professional fees and borrowing costs for qualifying assets.

## **KOPRAN LIFESCIENCES LIMITED**

### **Notes to Financial Statements for the Year ended March 31, 2021**

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from its previously assessed standard of performance. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Borrowing costs directly attributable to acquisition of property, plant and equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Advances paid towards the acquisition of Property, plant and equipment are disclosed as "Capital advances" under "Other Non - Current Assets" and the cost of assets not ready intended use as at the balance sheet date are disclosed as 'Capital work-in-progress'.

An item of PPE is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the Statement of Profit and Loss when the asset is derecognized.

Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is neither related to the construction activity nor is incidental thereto is charged to the statement of profit and loss.

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

Depreciation of these PPE commences when the assets are ready for their intended use.

Depreciation is calculated on straight line basis using the useful lives estimated by the management, which are equal to those prescribed under Schedule II to the Companies Act, 2013.

The residual values are not more than 5% of the original cost of the asset.

On assets acquired on lease (including improvements to the leasehold premises), amortization has been provided for on Straight Line Method over the period of lease.

The estimated useful lives and residual values are reviewed on an annual basis and if necessary, changes in estimates are accounted for prospectively. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

## **KOPRAN LIFESCIENCES LIMITED**

### **Notes to Financial Statements for the Year ended March 31, 2021**

Depreciation on subsequent expenditure on PPE arising on account of capital improvement or other factors is provided for prospectively over the remaining useful life.

#### **(e) Intangible assets**

For transition to Ind AS, the Company has elected to continue with the carrying value of intangible assets recognized as of April 01, 2016 (transition date) measured as per the Previous GAAP and use that carrying value as its deemed cost as on the transition date.

Intangible assets are stated at cost (net of recoverable taxes) less accumulated amortization and impairment loss. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end and if necessary, changes in estimates are accounted for prospectively.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in the Statement of Profit and Loss when the asset is derecognized.

#### **Amortisation methods and periods**

Intangible assets comprising of goodwill and product development cost is amortized on a straight line basis over the useful life of five years which is estimated by the management.

The estimated useful lives and residual values are reviewed on an annual basis and if necessary, changes in estimates are accounted for prospectively.

#### **(f) Impairment of non financial assets**

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

## **KOPRAN LIFESCIENCES LIMITED**

### **Notes to Financial Statements for the Year ended March 31, 2021**

A previously recognized impairment loss (except for goodwill) is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited to the carrying amount of the asset.

#### **(g) Leases**

##### **(i) As a lessee**

A lease is classified at the inception date as a finance lease or an operating lease. Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

##### **(ii) As a lessor**

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

#### **(h) Inventories**

Raw Materials, Stores and Spares and Packing Material are valued at lower of cost and net realizable value.

Work-in-Progress, Finished Goods and Stock-in-Trade are valued at lower of cost and net realizable value. Cost of Raw Materials, Stores & Spares and Packing Materials is determined using First in First out (FIFO) Method. Cost of Work-in-Progress and Finished Goods is determined on absorption costing method.

#### **(i) Revenue recognition**

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties including taxes. Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was insignificant.

**KOPRAN LIFESCIENCES LIMITED****Notes to Financial Statements for the Year ended March 31, 2021****The following are the specific revenue recognition criteria:**

Revenue from sale of goods is recognized when all the significant risk and rewards of ownership of the goods have been passed to the buyer.

Revenue from services are recognised as they are rendered based on agreements/ arrangements with the concerned parties.

**Contract balances****Contract assets**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

**Trade receivables**

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due)

**Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

**Assets and liabilities arising from rights of return****Right of return assets**

Right of return asset represents the Company's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Company updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products. This is disclosed along with inventories.

**Refund liabilities**

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

**Interest income**

Interest income, including income arising from other financial instruments measured at amortized cost, is recognized using the effective interest rate method.

**Dividend income**

Revenue is recognised when the company's right to receive the payment is established, which is generally when shareholders approve the dividend.

**KOPRAN LIFESCIENCES LIMITED**

**Notes to Financial Statements for the Year ended March 31, 2021**

**(j) Income Taxes**

**(i) Current income tax**

The income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, if any.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting year. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

**(ii) Deferred tax**

Deferred income tax is recognized using the balance sheet approach. Deferred tax is recognized on temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

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

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

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

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

**(iii) Minimum Alternate Tax**

MAT payable for a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available in the statement of profit and loss as deferred tax with a corresponding asset only to the extent that there is probable certainty that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The said asset is shown as 'MAT Credit Entitlement' under Deferred Tax. The Company reviews the same at each reporting date and writes down the asset to the extent the Company does not have the probable certainty that it will pay normal tax during the specified period.

## **KOPRAN LIFESCIENCES LIMITED**

### **Notes to Financial Statements for the Year ended March 31, 2021**

#### **(k) Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

#### **Financial assets**

##### **Initial Recognition**

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

##### **Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

##### **(i) Debt instruments at amortised cost**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

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

##### **(ii) Debt instrument at FVTOCI**

A 'debt instrument' is measured as at FVTOCI if both of the following criteria are met:

- the objective of the business model is achieved both by collecting contractual cash flows and selling the 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.

##### **(iii) Debt instrument at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

##### **(iv) Equity instruments measured at FVTOCI**

All other equity investments are measured at fair value, with value changes recognized in Statement of Profit and Loss, except for those equity investments for which the Company has elected to present the value changes in 'Other Comprehensive Income'.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

## **KOPRAN LIFESCIENCES LIMITED**

### **Notes to Financial Statements for the Year ended March 31, 2021**

#### **(v) Cash and Cash equivalents**

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

#### **Investments in subsidiaries, Associates and Joint Ventures**

The Company has accounted for its subsidiaries, Associates and Joint Ventures at cost.

#### **De-recognition**

A financial asset is de-recognized only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is de-recognized.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

#### **Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL), simplified model approach for measurement and recognition of Impairment loss on Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income / expense in the statement of Profit and Loss.

#### **Financial liabilities**

##### **Classification as debt or equity**

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

#### **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

**KOPRAN LIFESCIENCES LIMITED****Notes to Financial Statements for the Year ended March 31, 2021****Initial recognition and measurement**

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortized cost unless at initial recognition, they are classified as fair value through profit and loss.

**Subsequent measurement**

Financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the statement of profit and loss.

**(i) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting year. They are recognized initially at their fair value and subsequently measured at amortised cost using the effective interest method.

**(ii) Loans and borrowings**

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

**(iii) Financial guarantee contracts**

Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value and if not designated as at FVTPL, are subsequently measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount initially recognised less cumulative amount of income recognised.

**De-recognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

**Embedded derivatives**

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

**KOPRAN LIFESCIENCES LIMITED****Notes to Financial Statements for the Year ended March 31, 2021****Reclassification of financial assets**

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

**Derivative financial instruments and hedge accounting****Initial recognition and subsequent measurement**

The Company uses derivative financial instruments, such as forward currency contracts, full currency swap, options and interest rate swaps to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised 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 taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in air value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

## **KOPRAN LIFESCIENCES LIMITED**

### **Notes to Financial Statements for the Year ended March 31, 2021**

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

#### **(i) Fair value hedges**

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

#### **(ii) Cash flow hedges**

The effective portion of changes in the fair value of the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in profit or loss. The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

#### **(l) Convertible financial instrument**

Convertible instruments are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible instruments, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible instrument based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

#### **(m) Employee benefits**

##### **(i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**KOPRAN LIFESCIENCES LIMITED****Notes to Financial Statements for the Year ended March 31, 2021****(ii) Other long-term employee benefit obligations**

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

**(iii) Post-employment obligations**

The Company operates the following post-employment schemes:

- (a) defined benefit plans viz. gratuity,
- (b) defined contribution plans viz. provident fund.

**Gratuity obligations**

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are disclosed as "Remeasurements of net defined benefit plans" under the head "Other Comprehensive Income" in the statement of changes in equity.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

**Defined contribution plans**

The Company pays provident fund contributions to publicly administered provident funds as per local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

**KOPRAN LIFESCIENCES LIMITED**

**Notes to Financial Statements for the Year ended March 31, 2021**

**(vi) Termination benefits**

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits.

**(n) Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation and a reliable estimate can be made of the amount of obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

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, is disclosed as a contingent liability. Contingent liabilities are also 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.

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

**(o) Borrowing costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the year in which they are incurred.

Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds.

## **KOPRAN LIFESCIENCES LIMITED**

### **Notes to Financial Statements for the Year ended March 31, 2021**

#### **(p) Segment Reporting - Identification of Segments**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the Company's chief operating decision maker to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by geographic segments.

#### **(q) Earnings per share**

Basic earnings per share are computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

#### **(r) Cash and cash equivalents**

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks having the maturity of three months or less which are subject to insignificant risk of changes in value.

#### **(s) Cash Flow Statement**

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

#### **(t) Dividends**

The Company recognises a liability to make dividend distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

#### **(u) Significant accounting judgements, estimates and assumptions**

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of impairment of non current assets, useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities and fair value measurement.

**KOPRAN LIFESCIENCES LIMITED****Notes to Financial Statements for the Year ended March 31, 2021****(i) Impairment of non - financial assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to disclosure of fair value of investment property recorded by the Company.

**(ii) Useful lives of property, plant and equipment**

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

**(iii) Valuation of deferred tax assets**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**(iv) Defined benefit plans**

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

**(v) Provisions and contingent liabilities :-**

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

## **KOPRAN LIFESCIENCES LIMITED**

### **Notes to Financial Statements for the Year ended March 31, 2021**

#### **(vi) Fair value measurement**

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

### **3 Recent Indian Accounting Standards / Pronouncements**

"The Ministry of Corporate affairs ("MCA") through a notification dated March 24, 2021, amended Schedule III of the Companies Act, 2013 which will be applicable effective April 1, 2021.

- Disclosure of shareholding of promoters in specified format.
- Disclosure of current maturities of Long term borrowings under the head short term borrowings
- Disclosure of ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development in specified format.
- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Financial Ratios to be disclosed along with explanation with respect to items included in numerator and denominator.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.
- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The Company will evaluate the above and give effect as required by law."

**KOPRAN LIFESCIENCES LIMITED****Notes to Financial Statements for the Year ended March 31, 2021**

	As at March 31, 2021	As at March 31, 2020
<b>4 Investments</b>		
Non Traded, Unquoted Investment in Equity Shares		
1,00,000 Equity Shares of Kopran Research Laboratories Ltd of Rs 10/- each	10,00,000	10,00,000
	<b>10,00,000</b>	<b>10,00,000</b>
<b>5 Cash and Cash Equivalent</b>		
Cash and cash equivalents		
Cash on Hand	-	-
Balances with banks		
On Current Accounts	1,19,712	1,20,512
	<b>1,19,712</b>	<b>1,20,512</b>

**KOPRAN LIFESCIENCES LIMITED**
**Notes to Financial Statements for the Year ended March 31, 2021**
**(Amount In Rs.)**
**6 Equity Share Capital**

	As at March 31, 2021		As at March 31, 2020	
	Number	Amount	Number	Amount
<b>Authorised</b>				
1,00,000 (Previous Year: 1,00,000) Equity Shares of ₹ 10 each	1,00,000	10,00,000	1,00,000	10,00,000
	<b>1,00,000</b>	<b>10,00,000</b>	<b>1,00,000</b>	<b>10,00,000</b>
<b>Issued, Subscribed and Paid up</b>				
50,000 (Previous Year: 50,000) Equity Shares of ₹ 10 each fully paid-up	50,000	5,00,000	50,000	5,00,000
	<b>50,000</b>	<b>5,00,000</b>	<b>50,000</b>	<b>5,00,000</b>

**(i) Reconciliation of Number of Equity Shares**

Particulars	Number	As at	Number	As at
		March 31, 2021		31st March 2020
At the beginning of the year	50,000	5,00,000	50,000	5,00,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	<b>50,000</b>	<b>5,00,000</b>	<b>50,000</b>	<b>5,00,000</b>

**(ii) Terms/Rights Attached to Equity Shares**

The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The equity shareholders are entitled for dividend as may be proposed by the Board of Directors and approved by the shareholders in the Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**(iv) Share in the company held by holding company or their subsidiary:**

Shares of the Company are held by holding company i.e. Koprana Limited

**(v) Shares in the Company held by each shareholder holding more than 5 percent shares and number of Shares held are as under:**

Name of Shareholder	As at March 31, 2021		As at March 31, 2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
<b>Equity Shares</b>				
Koprana Limited	50,000	100.00	50,000	100.00
	<b>50,000</b>	<b>100.00</b>	<b>50,000</b>	<b>100.00</b>

**KOPRAN LIFESCIENCES LIMITED**

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

(Amount In Rs.)

**7. Other Equity**

<b>Particulars</b>	<b>Retained Earnings</b>	<b>Other Comprehensive Income</b>	<b>Total</b>
<b>As at April 01, 2019</b>	(1,18,540)	-	<b>(1,18,540)</b>
Profit for the year	(10,960)	-	<b>(10,960)</b>
Other comprehensive income for the year	-	-	-
<b>As at March 31, 2020</b>	<b>(1,29,500)</b>	-	<b>(1,29,500)</b>
<b>As at April 01, 2020</b>	(1,29,500)	-	<b>(1,29,500)</b>
Profit for the year	(6,700)	-	<b>(6,700)</b>
Other comprehensive income for the year	-	-	-
<b>As at March 31, 2021</b>	<b>(1,36,200)</b>	-	<b>(1,36,200)</b>

**KOPRAN LIFESCIENCES LIMITED****Notes to Financial Statements for the Year ended March 31, 2021**

	As at March 31, 2021	As at March 31, 2020
<b>8 Short term Borrowings</b>		
<b>Unsecured</b>		
From Related Parties	7,00,000	7,00,000
	<b>7,00,000</b>	<b>7,00,000</b>
<b>9 Current-Other Financial Liabilities</b>		
<b>Others payable</b>		
Others	55,912	50,012
	<b>55,912</b>	<b>50,012</b>

**KOPRAN LIFESCIENCES LIMITED**

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

(Amount In Rs.)

	Year Ended March 31, 2021	Year Ended March 31, 2020
<b>10 Other Expenses</b>		
Audit Fees	5,900	5,900
Filing Fees	800	1,700
Bank Charges	-	-
	<b>6,700</b>	<b>7,600</b>

**KOPRAN LIFESCIENCES LIMITED****Notes to Financial Statements for the Year ended March 31, 2021**

11 Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. Nil (2020: Rs. Nil)

12 Contingent Liabilities not provided Rs. Nil (2020: Rs. Nil)

**13 Deferred Tax**

Deferred tax assets arising on account of timing difference comprising of unabsorbed business losses have not been recognised due to lack of virtual certainty of its realisation.

**14 Related Party disclosures****List of Related Parties**

Holding Company - Kopran Limited  
Key Management Personnel - Surendra Somani

During the year no transactions were carried out with the related parties in the ordinary course of business.

**(Amount in Rs.)**

	Key Management Personnel
Balance outstanding as at March 31,	7,00,000 (7,00,000)

**15 Computation of Earnings Per Share**

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Loss after tax Rs.	(6,700)	(10,960)
Weighted average number of equity shares	50,000	50,000
Earnings per share of Rs.10/- each		
- Basic and Diluted Rs.	(0.13)	(0.22)

16 The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence the disclosure, if any, relating to amounts unpaid as at the year-end together with interest paid/payable as required under the said Act have not been given.

17 Previous year's figures have been regrouped or reclassified to conform with the current years' presentation wherever considered necessary.

As per our report of even date attached

**For NGS & Co. LLP**

Chartered Accountants  
Firm Regn. No. 119850W

**For and on behalf of Board of Directors****Ashok A. Trivedi**

Partner  
M.No. 042472  
Mumbai  
May 26,2021

**Surendra Somani**

Director  
DIN: 600860

**Ajit Jain**

Director  
DIN: 147277

KOPRAN (H.K.) LIMITED

FINANCIAL STATEMENTS

FOR

THE YEAR ENDED 31ST MARCH, 2021

莊錫乾會計師事務所  
**SIMON CHONG & COMPANY**

*Certified Public Accountants*

*Hong Kong*

**KOPRAN (H.K.) LIMITED**  
**YEAR ENDED 31ST MARCH, 2021**  
**DIRECTORS' REPORT**

The directors presents their annual report and the audited financial statements for the year ended 31st March, 2021.

**PRINCIPAL ACTIVITIES**

During the year, the principal activities of the company was engaged in trading of medical equipments and chemical reagents. There was no significant change of principal activity during the year.

**RESULTS AND STATE OF AFFAIRS**

The results of the Company for the year ended 31 March, 2021 and the state of the Company's affairs at that date are set out in the Company's separate financial statements on pages 6 to 7 respectively.

**SHARE CAPITAL AND RESERVES**

The movements in capital and reserves during the year are set out in Note 3 to the separate financial statements. The Company has not issued any debentures during the year.

**EQUITY-LINKED AGREEMENTS**

The Company has not entered into an equity-linked agreement during the financial year.

**PERMITTED INDEMNITY PROVISION**

The Company has not made any permitted indemnity provision for the benefit of any director of the Company, or of its associate Company during the year.

**MANAGEMENT CONTRACTS**

The Company did not enter into any contract, other than the contracts of service with the sole director or any person engaged in the full-time employment, whereby any individual, firm or body corporate undertakes the management and administration of the whole, or any substantial part of any business of the Company.

**DIVIDEND**

The directors do not recommend any payment of dividend in respect of the year ended 31st March, 2021 (2019: HK\$Nil).

## DIRECTORS' INTEREST IN CONTRACTS

No contract of significance to which the Company, was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

## ARRANGEMENT TO ACQUIRE SHARES OR DEBENTURES

At no time during the year was the Company or its subsidiary a party to any arrangement to enable the sole director of the Company to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

## DIRECTORS

The directors of the Company during the year and up to the date of this report was:

Rajesh Kumar

Chandramohan Balkishan SINGHI

Venkata Kamesh BHAMIDIPATI

There being no provision in the Company's Articles of Association for retirement by rotation, the sole director continues in office.

## BUSINESS REVIEW

The Company falls within reporting exemption for the financial year. Accordingly, the Company is exempted from preparing a business review.

## AUDITOR

The accounts have been audited by Messrs. Simon Chong & Company, Certified Public Accountants, who retire and being eligible offer themselves for reappointment.

On behalf of the Board

  
Director:

Hong Kong, 6th May, 2021

# SIMON CHONG & COMPANY

*Certified Public Accountants (Practising)*

SOLE PRACTITIONER:

SIMON CHONG F.C.C.A., F.C.P.A.(Practising)

ROOM 1426, 14/FL., HOLLYWOOD PLAZA,  
610 NATHAN ROAD, MONGKOK, KOWLOON

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荷李活商業中心十四字樓一四二六室  
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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

### KOPRAN (H.K.) LIMITED

(incorporated in Hong Kong with limited liability)

#### Opinion

We have audited the financial statements of KOPRAN (H.K.) LIMITED ("the Company") set out on pages 6 to 9, which comprise the statement of financial position as at 31st March, 2021, and the income statement for the year ended 31st March, 2021, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of the Company are prepared, in all material respects, in accordance with the Hong Kong Small and Medium-sized Entity Financial Reporting Standard ("SME-FRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

#### Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") and with reference to Practice Note 900 (Revised), Audit of Financial Statements Prepared in Accordance with the SME-FRS issued by the HKICPA. 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 HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other Information

The directors are responsible for the other information. The other information comprises the information included in annual report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

# SIMON CHONG & COMPANY

*Certified Public Accountants (Practising)*

SOLE PRACTITIONER:

SIMON CHONG F.C.C.A., F.C.P.A. (Practising)

ROOM 1426, 14/F., HOLLYWOOD PLAZA,  
810 NATHAN ROAD, MONGKOK, KOWLOON

Tel No.: 2388 9038

Fax No.: 2388 9903

E-MAIL: simonco@simonchonghk.com

莊錫乾會計師事務所  
九龍旺角彌敦道六一〇號  
荷李活商業中心十四字樓一四二六室  
電話：二三八八九〇三八  
圖文傳真：二三八八九九〇三

## Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation of the financial statements in accordance with the SME-FRS issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. 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 HKSA's 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 HKSA's, 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

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

# SIMON CHONG & COMPANY

Certified Public Accountants (Practising)

SOLE PRACTITIONER:

SIMON CHONG F.C.C.A., F.C.P.A. (Practising)

ROOM 1425, 14/F., HOLLYWOOD PLAZA,  
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圖文傳真：二三八八九九〇三

## Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

Conclude on the appropriateness of the directors' 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.

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.

Simon Chong & Company  
Certified Public Accountants (Practising)

Hong Kong, 6th May, 2021  
Practising Certificate number: P02100  
SCDN8-21

**KOPRAN (H.K.) LIMITED**  
**YEAR ENDED 31ST MARCH, 2021**  
**DIRECTORS' REPORT**

The directors presents their annual report and the audited financial statements for the year ended 31st March, 2021.

**PRINCIPAL ACTIVITIES**

During the year, the principal activities of the company was engaged in trading of medical equipments and chemical reagents. There was no significant change of principal activity during the year.

**RESULTS AND STATE OF AFFAIRS**

The results of the Company for the year ended 31 March, 2021 and the state of the Company's affairs at that date are set out in the Company's separate financial statements on pages 6 to 7 respectively.

**SHARE CAPITAL AND RESERVES**

The movements in capital and reserves during the year are set out in Note 3 to the separate financial statements. The Company has not issued any debentures during the year.

**EQUITY-LINKED AGREEMENTS**

The Company has not entered into an equity-linked agreement during the financial year.

**PERMITTED INDEMNITY PROVISION**

The Company has not made any permitted indemnity provision for the benefit of any director of the Company, or of its associate Company during the year.

**MANAGEMENT CONTRACTS**

The Company did not enter into any contract, other than the contracts of service with the sole director or any person engaged in the full-time employment, whereby any individual, firm or body corporate undertakes the management and administration of the whole, or any substantial part of any business of the Company.

**DIVIDEND**

The directors do not recommend any payment of dividend in respect of the year ended 31st March, 2021 (2019: HK\$Nil).

#### **DIRECTORS' INTEREST IN CONTRACTS**

No contract of significance to which the Company, was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

#### **ARRANGEMENT TO ACQUIRE SHARES OR DEBENTURES**

At no time during the year was the Company or its subsidiary a party to any arrangement to enable the sole director of the Company to acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

#### **DIRECTORS**

The directors of the Company during the year and up to the date of this report was:

Rajesh Kumar  
Chandramohan Balkishan SINGHI  
Venkata Kamesh BHAMIDIPATI

There being no provision in the Company's Articles of Association for retirement by rotation, the sole director continues in office.

#### **BUSINESS REVIEW**

The Company falls within reporting exemption for the financial year. Accordingly, the Company is exempted from preparing a business review.

#### **AUDITOR**

The accounts have been audited by Messrs. Simon Chong & Company, Certified Public Accountants, who retire and being eligible offer themselves for reappointment.

On behalf of the Board



Director:

Hong Kong, 6th May, 2021

## SIMON CHONG & COMPANY

*Certified Public Accountants (Practising)*

SOLE PRACTITIONER:

SIMON CHONG F.C.C.A., F.C.P.A. (Practising)

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

#### KOPRAN (H.K.) LIMITED

(incorporated in Hong Kong with limited liability)

#### Opinion

We have audited the financial statements of KOPRAN (H.K.) LIMITED ("the Company") set out on pages 6 to 9, which comprise the statement of financial position as at 31st March, 2021, and the income statement for the year ended 31st March, 2021, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of the Company are prepared, in all material respects, in accordance with the Hong Kong Small and Medium-sized Entity Financial Reporting Standard ("SME-FRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

#### Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") and with reference to Practice Note 900 (Revised), Audit of Financial Statements Prepared in Accordance with the SME-FRS issued by the HKICPA. 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 HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other Information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **SIMON CHONG & COMPANY**

*Certified Public Accountants (Practising)*

**SOLE PRACTITIONER:**

**SIMON CHONG F.C.C.A., F.C.P.A.(Practising)**

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### **Responsibilities of the Directors for the Financial Statements**

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As part of an audit in accordance with HKSA's, 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

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

## SIMON CHONG & COMPANY

Certified Public Accountants (Practising)

SOLE PRACTITIONER:

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### Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

Conclude on the appropriateness of the directors' 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.

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.

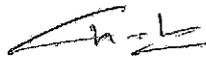
Simon Chong & Company  
Certified Public Accountants (Practising)

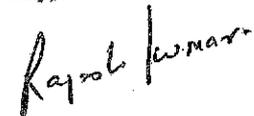
Hong Kong, 6th May, 2021  
Practising Certificate number: P02100  
SC/208-21

**KOPRAN (H.K.) LIMITED**  
**STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH, 2021**  
 (Expressed in Hong Kong dollars)

	31/03/2021	31/03/2020
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Property, plant & equipments - Note 4	78,614.64	98,268.32
<b>CURRENT ASSETS</b>		
Utility deposits	19,700.00	19,700.00
Trade debtors	1,985,948.90	1,985,948.90
Cash at banks & in hand	519,043.21	536,774.58
	2,524,692.11	2,542,423.48
<b>CURRENT LIABILITIES</b>		
Accrued expenses	333,485.00	333,485.00
	333,485.00	333,485.00
<b>NET CURRENT ASSETS</b>	2,191,207.11	2,208,938.48
<b>NET ASSETS</b>	2,269,821.75	2,307,206.80
<b>EQUITY</b>		
Share capital - Note 3	2,318,750.00	2,318,750.00
Accumulated loss	(48,928.25)	(11,543.20)
<b>TOTAL EQUITY</b>	2,269,821.75	2,307,206.80

Approved by the board of directors on 6th May, 2021  
 and signed on its behalf by

  
 Director

  
 Director

The accompanying Accounting Policies and Explanatory Notes form an integral part of, and should be read in conjunction with these financial statements.

**KOPRAN (H.K.) LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31ST MARCH, 2021**  
(Expressed in Hong Kong dollars)

	Year ended 31/03/2021	Year ended 31/03/2020
Sales	0.00	1,134,794.34
Less: Cost of Sales		
Purchases	0.00	1,103,426.24
Gross profit	0.00	31,368.10
Less: General & Administrative Expenses		
Auditors' remuneration	3,000.00	3,000.00
Bank Charges	614.37	9,368.41
Business registration fee	250.00	250.00
Depreciation	19,653.68	24,567.08
Professional fees	4,005.00	4,019.00
Profit Tax	9,862.00	24.00
	37,385.05	41,228.49
Net loss for the year	(37,385.05)	(9,860.39)
Accumulated loss brought forward	(11,543.20)	(1,682.81)
Retained profit/(Accumulated loss) carried forward	(48,928.25)	(11,543.20)

**KOPRAN (H.K.) LIMITED**  
**ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH, 2021**

**1. Reporting Entity**

KOPRAN (H.K.) LIMITED is a company incorporated in Hong Kong with limited liability. The registered office is located at Room 328, Peninsula Centre, 67 Mody Road, Tsim Sha Tsui East, Kowloon.

During the year, the principal activity of the company was engaged in trading of medical equipments and chemical reagents.

**2. Significant Accounting Policies**

The company qualifies for the reporting exemption as a small private company under section 359(1)(a) of the Hong Kong Companies Ordinance (Cap. 622) and is therefore entitled to prepare and present its financial statements in accordance with the Small and Medium-sized Entity Financial Reporting Standard (SME-FRS) issued by the Hong Kong Institute of Certified Public Accountants.

These financial statements comply with the SME-FRS and have been prepared under the accrual basis of accounting and on the basis that the company is a going concern.

The measurement base adopted is the historical cost, accrual and going concern basis.

**(a) Property, Plant and Equipment**

Depreciation of fixed assets

Depreciation is calculated to write off the cost of fixed assets over their estimated useful lives on a reducing balance method, at the following rates per annum.

Furniture & fixtures	20%
Medical equipments	20%

**(b) Foreign Currencies**

Transactions arising in foreign currencies during the year are converted at exchange rates ruling at the transaction dates. Monetary balances in foreign currency at the year end are translated at rates of exchange ruling at the balance sheet date. All exchange differences are dealt with in the profit and loss account.

**(c) Taxation**

Income tax expense represents current tax expense. The income tax payable represents the amounts expected to be paid to the taxation authority, using the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

**3. Share Capital**

	31/03/2021	31/03/2020
Issued and fully paid up: 2,318,750 ordinary shares	HK\$2,318,750.00	HK\$2,318,750

During the year under review, there was no change in the share capital.

**KOPRAN (H.K.) LIMITED**  
**ACCOUNTING POLICIES AND EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH, 2021**

**1. Property, plant & equipments**

	Furniture & fixtures	Medical equipments	
<b>Cost</b>			
Balance brought forward	174,905.30	468,579.84	643,485.14
Added during the year	0.00	0.00	0.00
<b>As at 31/03/2021</b>	<u>174,905.30</u>	<u>468,579.84</u>	<u>643,485.14</u>
<b>Accumulated Depreciation</b>			
Balance brought forward	174,905.30	370,311.52	545,216.82
Charge for the year	0.00	19,653.68	19,653.68
<b>As at 31/03/2021</b>	<u>174,905.30</u>	<u>389,965.20</u>	<u>564,870.50</u>
<b>Net Book Value</b>			
As at 31/03/2020	0.00	78,614.64	78,614.64
<b>As at 31/03/2021</b>	<u>0.00</u>	<u>98,268.32</u>	<u>98,268.32</u>

**2. Change in Equity**

	Share capital	Retained earnings	Total
Balance as at 31/03/2020	2,318,750.00	(11,543.35)	2,307,206.65
Change for the year	0.00	(37,385.05)	(37,385.05)
<b>Balance as at 31/03/2021</b>	<u>2,318,750.00</u>	<u>(48,928.40)</u>	<u>2,269,821.60</u>

**3. Remuneration of Directors**

No fees or other emoluments was paid or payable to any directors for services rendered during the year. (2020: Nil)

**4. Ultimate Holding Company**

The directors of the company consider Koprán Limited, a company incorporated in India, as its ultimate holding company.

**5. Taxation**

No provision for profit tax is made in the accounts as the allowable losses brought forward exceed the estimated assessable profits for the year.

**6. Approval of financial statements**

These financial statements were authorised for issue by the company's Board of Directors on 6th May, 2021.