

INDEPENDENT AUDITORS' REPORT

To the Members of Mahi Drugs Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mahi Drugs Private Limited ("the Company"), which comprise the balance sheet as at 31 March 2021, and the statement of Profit and Loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and profit and other comprehensive income, changes in equity and its cash flows 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 Act. Our responsibilities under those SAs 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 there under, 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.



Key Audit Matters

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

Other Information

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

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

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting Standards (Ind AS) 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 accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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



Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional 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. 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 with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' 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.



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

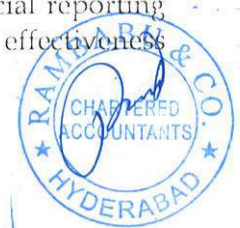
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements for the financial year ended March 31, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

(A) 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, the Statement of Profit and Loss (including other comprehensive income), the statement of changes in equity and the Statement of Cash Flows 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 the 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".



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

- i. The Company has disclosed the impact of pending litigations as at 31st March 2021 on its financial position in its Ind AS Financial Statements as referred to in note 41 to the Ind AS Financial Statements.
- ii. The Company did not have material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

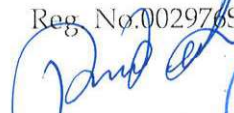
In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

Place: Hyderabad

Date: 18-06-2021

UDIN: 21026548AAAAFX1371

For Rambabu & Co.,
Chartered Accountants
Reg. No. 0029765



GVL Prasad
Partner

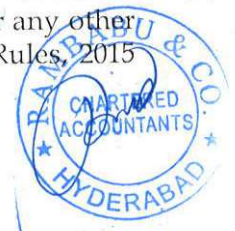
M. No. 026548



"Annexure A" to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2021:

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The Company has a regular program of physical verification of its fixed assets by which all fixed assets are verified in a phased manner. In our opinion the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to information and explanations given by the management, the title deeds/lease deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
- 2) In respect of Inventories:
 - a) As explained to us the inventories have been physically verified during the year by the management at reasonable intervals.
 - b) In our opinion and according to the information and explanations 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 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.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015



- with regard to the deposits accepted from the public are not applicable.
- 6) We have broadly reviewed the cost records maintained by the Company pursuant to the rules prescribed by the Central Government of India under Section 148(1) of the Companies Act 2013 and are of the opinion that prima facie the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- 7) a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Goods and Service Tax and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2021 for a period of more than six months from the date on when they become payable.
- b) According to the information and explanation given to us, there are no dues of income tax, Goods and Service Tax outstanding on account of any dispute.
- c) In our opinion there are no amounts required to be transferred to Investor Education and Protection Fund by the company.
- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institution or banks. The Company has not issued any debentures.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.



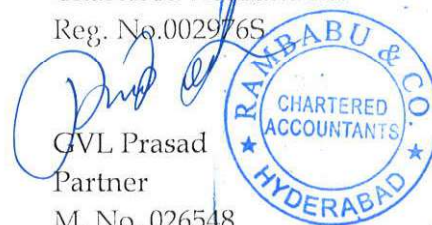
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

Place: Hyderabad
Date: 18-06-2021

UDIN: 21026548AAAAFX1371

For Rambabu & Co.,
Chartered Accountants
Reg. No.0029765

GVL Prasad
Partner
M. No. 026548



"Annexure B" to the Independent Auditor's 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 of Mahi Drugs Private Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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



Meaning of Internal Financial Controls over Financial Reporting

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

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

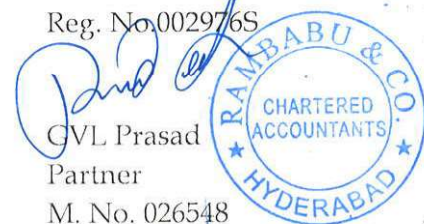
Opinion

In our opinion the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Hyderabad
Date: 18-06-2021

UDIN: 21026548AAAAFX1371

For Rambabu & Co.,
Chartered Accountants
Reg. No. 002976S



GVL Prasad
Partner
M. No. 026548

Mahi Drugs Private Limited
Balance Sheet as at 31st March, 2021
(All amounts in Indian Rupees, unless otherwise stated)

S No	Particulars	Note	As at 31.03.2021	As at 31.03.2020
I	ASSETS			
1	Non-Current Assets			
	(a) Property, Plant and Equipment	4	11,99,78,711	12,68,11,596
	(b) Capital Work-in-Progress	4	35,15,60,540	13,29,44,312
	(c) Financial Assets			
	(i) Other Financial Assets	5	29,44,234	21,16,950
	(d) Other Non-Current Assets	6	1,07,22,822	50,69,121
	Total		48,52,06,307	26,69,41,979
2	Current Assets			
	(a) Inventories	7	2,99,78,703	3,50,64,132
	(b) Financial Assets			
	(i) Trade Receivables	8	4,15,58,702	2,97,982
	(ii) Cash and Cash Equivalents	9	7,28,010	1,49,34,737
	(iii) Bank Balances other than (ii) above	10	2,08,91,077	3,80,00,000
	(c) Other Current Assets	11	2,49,05,091	1,38,28,978
	(d) Current tax Assets (Net)	12	26,48,770	-
	Total		12,07,10,353	10,21,25,829
	Total Assets		60,59,16,660	36,90,67,809
II	EQUITY AND LIABILITIES			
1	Equity:			
	(a) Equity Share Capital	13	4,71,51,000	4,71,51,000
	(b) Other Equity	14	7,11,69,494	6,84,10,492
	Total		11,83,20,494	11,55,61,492
2	LIABILITIES			
A	Non-Current Liabilities			
	(a) Financial liabilities			
	(i) Borrowings	15	17,51,29,708	13,04,16,251
	(a) Provisions	16	10,71,477	10,45,250
	(b) Deferred Tax Liabilities (Net)	17	96,98,509	98,84,707
	Total		18,58,99,694	14,13,46,208
B	Current Liabilities			
	(a) Financial Liabilities			
	(i) Trade Payables			
	(a) Dues to Micro & Small Enterprises	18	3,99,496	55,880
	(b) Dues to Creditors Other than Micro & Small Enterprises	18	4,76,45,161	3,81,87,775
	(ii) Other Financial Liabilities	19	3,84,94,501	3,08,93,078
	(b) Provisions	16	70,138	64,709
	(b) Other Current Liabilities	20	21,50,87,176	4,08,22,774
	(c) Current Tax Liabilities (Net)	21	-	21,35,893
	Total		30,16,96,472	11,21,60,109
	Total Liabilities		48,75,96,166	25,35,06,318
	Total Equity and Liabilities		60,59,16,660	36,90,67,809

The accompanying notes are an integral part of the financial statements

As per our report of even date

for RAMBABU & CO

Chartered Accountants

FRN 0029765

GVL PRASAD

Partner

M No. 026548

for and on behalf of the Board

Mahi Drugs Private Limited

TVVSN MURTHY

Director

DIN No: 00465198

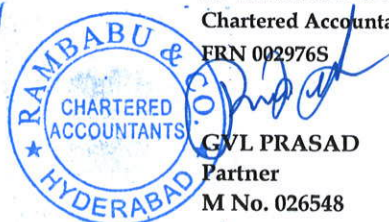
T V PRAVEEN

Director

DIN No: 08772030

Place : Hyderabad

Date : 18th June, 2021



Mahi Drugs Private Limited.**Statement of Profit and Loss for the Year ended 31st March, 2021.**

(All amounts in Indian Rupees, unless otherwise stated)

S NO	Particulars	Note	Year Ended 31st March,2021	Year Ended 31st March,2020
1	Income			
	Revenue from Operations	22	17,24,73,678	22,59,52,960
	Other Income	23	44,82,588	39,77,147
	Total Income		17,69,56,266	22,99,30,107
2	Expenses			
	Cost of Materials Consumed	24	9,31,85,958	10,03,05,395
	Change in Inventories	25	9,75,753	4,29,03,756
	Manufacturing Expenditure	26	3,54,83,968	2,73,82,951
	Employee Benefits Expense	27	3,54,77,629	3,29,28,432
	Finance Costs	28	2,91,262	4,83,339
	Depreciation and Amortization Expense	29	64,82,226	61,76,745
	Other Expenses	30	41,93,635	39,08,653
	Total Expenses		17,60,90,432	21,40,89,271
3	Profit Before Tax (1-2)		8,65,835	1,58,40,836
4	Tax Expense			
	(a) Current Tax	31		
	(i) relating to Current Period		1,50,000	40,00,000
	(ii) relating to Earlier Year		(16,61,819)	-
	(b) Deferred Tax		(2,40,486)	(10,55,014)
	Total Taxes		(17,52,305)	29,44,986
5	Profit After Tax for the Year (3-4)		26,18,140	1,28,95,850
	Other Comprehensive Income/(Loss)			
	Items that will not be reclassified to Profit/(Loss)	32		
6	Remeasurement Gain/(Loss) of the defined benefit plans		1,95,149	1,49,592
7	Income Tax effect on the above		54,287	41,616
8	Other Comprehensive Income/(Loss) After Tax for the Year(6-7)		1,40,862	1,07,976
9	Total Comprehensive Income/(Loss) for the Year (5+8)		27,59,002	1,30,03,826
	Earnings Per Share (Face Value of Rs.10/- each) Basic/ Diluted	33	0.56	2.74
	Significant Accounting Policies	3		

The accompanying notes are an integral part of the financial statements

As per our report of even date

for RAMBABU & CO
Chartered Accountants
ERN 002976S

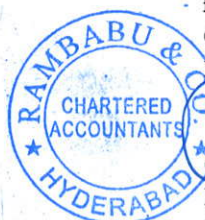
GVL PRASAD
Partner
M No. 026548

for and on behalf of the Board
Mahi Drugs Private Limited

TVVSN MURTHY
Director
DIN No: 00465198

T V PRAVEEN
Director
DIN No: 08772030

Place : Hyderabad
Date : 18th June,2021



Mahi Drugs Private Limited.
Statement of Cash Flow for the Year Ended 31st March, 2021
 (All amounts in Indian Rupees, unless otherwise stated)

Particulars	For the Year ended 31st March, 2021	For the Year ended 31st March, 2020
A Cash Flow from Operating Activities		
Profit Before Income Tax	8,65,835	1,58,40,836
Adjustments for:		
Depreciation and amortisation expense	64,82,226	61,76,745
Provision for Employee Benefits	2,26,805	(4,31,049)
Interest Income	(19,60,936)	
Bonus	-	-
Amortisation of Transaction Cost on Borrowings	1,11,557	27,661
Loss on sale of property Plant and Equipment	-	4,12,040
	<u>57,25,487</u>	<u>2,20,26,233</u>
Change in Operating Assets and Liabilities		
(Increase)/Decrease in Trade Receivables	(4,12,60,719)	6,31,42,460
(Increase) Decrease in Inventories	50,85,429	3,87,13,502
Increase/(Decrease) in Trade Payables	98,01,002	(12,06,61,875)
(Increase) Decrease in Non Current Financial Asset	(8,27,284)	(9,52,200)
(Increase) Decrease in Non Current Asset	(56,53,701)	(50,69,121)
(Increase) Decrease in Other Current Asset	(1,10,76,113)	(89,24,853)
Increase/(Decrease) in Other Provisions	-	3,76,269
Increase/(Decrease) in Other Financial Liabilities	27,27,701	
Increase/(Decrease) in Other Current Liabilities	17,42,64,402	1,96,89,477
	<u>13,30,60,717</u>	<u>(1,36,86,341)</u>
Cash generated from Operations	13,87,86,205	83,39,892
Income Taxes Paid	(32,72,844)	(23,64,504)
Net Cash Inflow from Operating Activities "A"	<u>13,55,13,361</u>	<u>59,75,388</u>
B Cash flows from Investing Activities		
Payments for Purchase of Property, Plant and Equipment	(22,23,31,906)	(10,06,93,783)
Proceeds from sale of Property, Plant and Equipment	3,50,659	8,24,900
Interest received on Deposits	12,65,543	
Fixed Deposits made	(2,01,95,684)	(3,80,00,000)
Closure of Margin Money Deposits	3,80,00,000	4,31,049
Net Cash Outflow from Investing Activities "B"	<u>(20,29,11,388)</u>	<u>(13,74,37,834)</u>
C Cash flows from Financing Activities		
Proceeds from Long Term Borrowings	6,77,59,000	14,49,56,290
Repayment of Long Term Borrowings	(1,45,67,700)	-
Repayment of Short term Borrowings	-	-
Dividends paid Including dividend distribution Tax	-	-
Net Cash (Outflow) from Financing Activities "C"	<u>5,31,91,300</u>	<u>14,49,56,290</u>
Net Increase (Decrease) in Cash and Cash Equivalents (A+B+C)	<u>(1,42,06,727)</u>	<u>1,34,93,844</u>
Cash and Cash Equivalents at the beginning of the Financial Year (Refer Note 10)	1,49,34,737	14,40,894
Cash and Cash Equivalents at End of the Year (Refer Note 10)	<u>7,28,010</u>	<u>1,49,34,737</u>

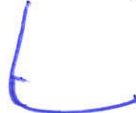
The accompanying notes are an integral part of the financial statements


As per our report of even date
 for **RAMBABU & CO**
 Chartered Accountants
 FRN 002976S


GVL PRASAD
 Partner
 M No. 026548



for and on behalf of the Board
Mahi Drugs Private Limited


TVVSN MURTHY
 Director
 DIN No: 00465198


T V PRAVEEN
 Director
 DIN No: 08772030

Place : Hyderabad
 Date : 18th June, 2021

Mahi Drugs Private Limited.

Statement of Changes in Equity for the Year Ended 31st March, 2021

(All amounts in Indian Rupees, unless otherwise stated)

a. Equity Share Capital

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Number of Shares	Amount	Number of Shares	Amount
At the Beginning of the Year	47,15,100	4,71,51,000	47,15,100	4,71,51,000
Changes in Equity Share Capital	-	-	-	-
At the End of the Year	47,15,100	4,71,51,000	47,15,100	4,71,51,000

b. Other Equity

	Retained Earnings
Balance as at 01st April, 2019	5,54,06,666
Profit for the Year	1,28,95,850
Other Comprehensive Income for the Year,	1,07,976
Total Comprehensive Income for the Year	1,30,03,826
Dividend and Dividend Tax Paid	
Balance as at 31st March, 2020	6,84,10,492
Balance as at 01st April, 2020	6,84,10,492
Profit for the Year	26,18,140
Other Comprehensive Income for the Year, net of Income Tax	1,40,862
Total Comprehensive Income for the Year	27,59,002
Balance as at 31st March, 2021	7,11,69,493

The accompanying notes are an integral part of the financial statements

As per our report of even date


As per our report of even date


for **RAMBABU & CO**
Chartered Accountants
FRN 002976S



GVL PRASAD
Partner
M No. 026548

for and on behalf of the Board
Mahi Drugs Private Limited


TVVSN MURTHY
Director
DIN No: 00465198


T V PRAVEEN
Director
DIN No: 08772030

Place : Hyderabad
Date : 18th June,2021

Mahi Drugs Private Limited
Notes to the Financial Statements
(All amounts in Indian Rupees, unless otherwise stated)

4 Property, Plant and Equipment

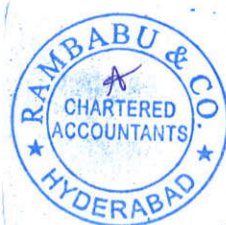
Particulars	Land	Buildings	Plant & Machinery	Pollution Control Equipment	Data Processing Equipment	Furniture & Fixtures	Office Equipment	Vehicles	Others	Total	Capital Work-in-Progress
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Year ended 31st March 2020											
Gross Carrying Amount											
1 Deemed Cost as at 01st April, 2019	2,34,39,349	3,57,05,663	8,52,51,722	-	3,77,368	7,66,665	1,11,991	59,015	-	14,57,11,773	1,97,87,322
2 Additions	-	-	-	-	10,61,143	7,93,395	1,58,338	-	-	20,12,875	11,31,56,990
3 Disposals	-	-	(29,18,070)	-	-	-	-	-	-	(29,18,070)	-
4 Closing Gross Carrying Amount as at 31st March, 2020 (1+2+3)	2,34,39,349	3,57,05,663	8,23,33,652	-	14,38,511	15,60,060	2,70,329	59,015	-	14,48,06,578	13,29,44,312
Accumulated Depreciation											
5 Depreciation Charge during the Year	-	21,26,381	98,34,102	-	54,437	99,996	51,422	4,550	-	1,21,70,888	-
6 Disposals	-	12,43,689	46,94,466	-	1,26,260	86,882	18,440	7,008	-	61,76,745	-
7 Closing Accumulated Depreciation as at 31st March, 2020 (5+6)	-	33,70,070	1,41,75,918	-	1,80,697	1,86,878	69,862	11,558	-	1,79,94,983	-
8 Net Carrying Amount as at 31st March, 2020 (4-7)	2,34,39,349	3,23,35,593	6,81,57,734	-	12,57,814	13,73,182	2,00,467	47,457	-	12,68,11,595	13,29,44,312
Year ended 31st March, 2021											
Gross Carrying Amount											
1 Opening Gross Carrying Amount	2,34,39,349	3,57,05,663	8,23,33,652	-	14,38,511	15,60,060	2,70,329	59,015	-	14,48,06,578	13,29,44,312
2 Additions	-	-	-	-	-	-	-	-	-	-	-
3 Disposals	-	-	(4,45,000)	-	-	-	-	-	-	(4,45,000)	-
4 Closing Gross Carrying Amount as at 31st March, 2021 (1+2+3)	2,34,39,349	3,57,05,663	8,18,88,652	-	14,38,511	15,60,060	2,70,329	59,015	-	14,43,61,578	35,15,60,539
Accumulated Depreciation and Impairment											
5 Opening Accumulated Depreciation	-	33,70,070	1,41,75,918	-	1,80,697	1,86,878	69,862	11,558	-	1,79,94,983	-
6 Depreciation Charge during the Year	-	12,43,689	49,99,947	-	1,26,260	86,882	18,440	7,008	-	64,82,226	-
7 Disposals	-	-	(94,341)	-	-	-	-	-	-	(94,341)	-
8 Closing Accumulated Depreciation and Impairment as at 31st March, 2021 (5+6+7)	-	46,13,759	1,90,81,524	-	3,06,957	2,73,760	88,302	18,566	-	2,43,82,868	-
9 Net Carrying Amount as at 31st March, 2021 (4-8)	2,34,39,349	3,10,91,904	6,28,07,128	-	11,31,554	12,86,300	1,82,027	40,449	-	11,99,78,710	35,15,60,539



- 4.1 Property, Plant and Equipment pledged as Security
4.2 Refer Note 36 for information on Property, Plant and Equipment pledged as security by the Company
4.3 Refer Note 42 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
4.4 CWIP includes proposed capital expenditure of Interest- Rs.2,44,26,436 Salesries and wages Rs.1,80,98,465 and other expenses of Rs.38,50,709

Mahi Drugs Private Limited
Notes to the Financial Statements
(All amounts in Indian Rupees, unless otherwise stated)

Note	Particulars	As at 31.03.2021	As at 31.03.2020
5	Other Non-Current Financial Assets		
	Deposits Recoverable	29,44,234	21,16,950
	Total	29,44,234	21,16,950
6	Other Non-Current Assets		
	Capital Advances	1,07,22,822	50,69,121
	Total	1,07,22,822	50,69,121
7	Inventories		
	(Cost or Net Realisable Value, whichever is lower and as valued and certified by the Management)		
	(a) Raw Materials	1,39,88,563	1,81,34,364
	(b) Stock in Process	1,59,07,059	73,12,747
	(c) Finished Goods	-	95,70,065
	(d) Coal & Fuel	83,081	46,956
	Total	2,99,78,703	3,50,64,132
8	Trade Receivables		
	Trade Receivables	4,15,58,702	2,97,982
	Less: Loss Allowance	-	-
	Less: Bad Debts	-	-
	Total Trade Receivables	4,15,58,702	2,97,982
	Current Portion	4,15,58,702	2,97,982
	Non-Current Portion	-	-
	Break-up for the above		
	Trade Receivables considered Good-Secured	-	-
	Trade Receivables considered Good-Un Secured	4,15,58,702	2,97,982
	Trade Receivables which have significant increase in credit risk	-	-
	Trade Receivables - credit impaired	-	-
	Total	4,15,58,702	2,97,982
	Less: Provision for Doubtfull Debts	-	-
	Total Trade recivables	4,15,58,702	2,97,982
9	Cash and Cash Equivalentents		
	(a) Balances with Banks		
	- in Current Accounts	7,20,361	1,49,30,405
	(b) Cash in Hand	7,649	4,332
	Total	7,28,010	1,49,34,737



Mahi Drugs Private Limited
Notes to the Financial Statements
(All amounts in Indian Rupees, unless otherwise stated)

Note	Particulars	As at 31.03.2021	As at 31.03.2020
10	Bank Balances other than Cash and Cash Equivalents		
	Fixed Deposits	2,08,91,077	3,80,00,000
	Total	2,08,91,077	3,80,00,000
11	Other Current Assets (Unsecured Considered Good)		
	GST Credit Receivable	2,22,38,814	42,64,676
	Advance to Suppliers	8,72,473	19,39,219
	Prepaid Expenses	10,27,242	10,08,967
	Interest Receivable	1,00,536	95,053
	Other Advances and Receivables	6,66,026	65,21,063
	Total	2,49,05,091	1,38,28,978
12	Current Taxes (Net)	26,48,770	-
12.1	Advance Tax	21,75,926	23,08,036
	TDS Receivable	6,22,844	56,468
	Less: Incometax Earlier Years	(1,50,000)	(5,00,397)
	Less: Provision for Income Tax		(40,00,000)
	Sub Total	26,48,770	(21,35,893)
	Amount disclosed under current tax Liabilities	-	21,35,893
	Total	26,48,770	-



13 Equity Share Capital

Note	Particulars	As at 31.03.2021		As at 31.03.2020	
		Number of Shares	Amount	Number of Shares	Amount
	Authorised Share Capital Number of Equity Shares of Rs. 10/- each	50,00,000	5,00,00,000	50,00,000	5,00,00,000
	Issued, Subscribed and Fully Paid Up Number of Equity Shares of Rs. 10/- each Equity Capital Amount	47,15,100	4,71,51,000	47,15,100	4,71,51,000
	Total	47,15,100	4,71,51,000	47,15,100	4,71,51,000

13.1 Reconciliation of Number of Equity Shares outstanding at the beginning and at the end of the Year

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Number of shares	Amount	Number of shares	Amount
Equity Shares At the beginning of the Year	47,15,100	4,71,51,000	47,15,100	4,71,51,000
Issued / (Reduced) During the Year	-	-	-	-
At the end of the Year	47,15,100	4,71,51,000	47,15,100	4,71,51,000

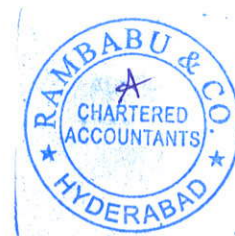
13.2 Rights attached to Equity Shares

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

13.2.1 The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

13.3 Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Number of shares	% holding	Number of shares	% holding
SMS Life Sciences India Limited	47,15,100	100.00%	9,00,000	19.00%



14 Other Equity

Particulars	As at 31.03.2021	As at 31.03.2020
Reserves and Surplus		
Retained Earnings	7,11,69,494	6,84,10,492
Total	7,11,69,494	6,84,10,492
14.1 Retained Earnings		
Opening Balance	6,84,10,492	5,54,06,666
Net profit for the Period	26,18,140	1,28,95,850
Items of Other Comprehensive Income		
Remeasurement Gain/(Loss) of the Defined Benefit Plans, net of tax	1,40,862	1,07,976
Closing balance	7,11,69,494	6,84,10,492

14.2 Nature & Purpose of Reserves

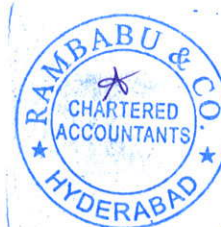
(i) Retained Earnings:

The accumulated earnings after appropriation of total comprehensive income and related transfers. The company uses retained earnings in accordance with the provisions of the Companies Act.

(ii) Analysis of items of OCI, net of tax

Re-measurements of defined benefit plans (refer note : 35)

Re-measurements of defined plans comprises actuarial gains and losses and return on plan



Mahi Drugs Private Limited
Notes to the Financial Statements
(All amounts in Indian Rupees, unless otherwise stated)

Note	Particulars	As at 31st March 2021	As at 31st March 2020
15	Non Current Borrowings		
15.1	Secured		
	(i) Term Loan RBL Bank	15,96,62,808	13,04,16,251
	(ii) Term Loan GECL RBL Bank	1,54,66,900	
	Sub Total	17,51,29,708	13,04,16,251
15.2	Current Maturities of Non Current Borrowings		
	Secured		
	(i) Term Loan RBL Bank	1,94,24,000	1,45,67,700
	(ii) Term Loan GECL RBL Bank	37,33,100	
	Total	2,31,57,100	1,45,67,700
	Amount disclosed under the head" Other Current Financial Liabilities"	(2,31,57,100)	(1,45,67,700)
	Total	-	-

15.1.1 The Foreign Currency Loan (ECB) has been fully hedged and rate of conversion has been fixed @ Rs.69.37/-

15.1.2 Security Terms

(a) Term Loan availed from RBL Bank is secured by Exclusive charge of all movable and immovable fixed assets both present and future and of all current assets both present and future and guaranteed by Sri TVVSN Murthy, and T.V.Praveen Directors of the company, in their personal capacity.

(b) Term Loan GECL (Gauranteed Emergency Credit Line) availed from RBL Bank is Gauranteed by National Credit Gaurantee Trustee and Second charge of all movable and immovable fixed assets both present and future and of all current assets both present and future.

(c) Corporate Gaurantee of the SMS Lifesciences India Limited, Holding Company.

(d) The carrying amounts of financial and non-financial assets pledged as security for current and non-current borrowings are disclosed in Note : 36..

15.1.3 Rate of Interest:

(a) The Term Loan from RBL carries an interest rate @ 10.40% p.a

(b) The Term Loan GECL from RBL carries an interest rate @ 9.25% p.a

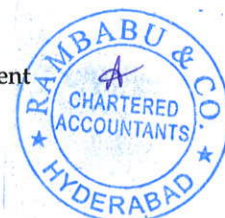
15.1.4 Terms of Repayment

(a) During the finalcial year 2019-20, the company has availed Term Loan from RBL Bank Limited amounting to Rs.19,42,36,000/- for funding the Expansion Project. The said loan is repayable in 24 Quarterly Installments commencing from September 2020, as mentioed below

First 8 Quarters	Rs. 48,55,900/- Each
Next 16 Quarters	Rs. 97,11,800/- Each

(b) During the year, the company has availed Term Loan GECL from RBL Bank Limited amounting to Rs.1,92,00,000/- for Long term worling capital requirements. The said loan is repayable in 36 Equal Monthly Instalments of Rs 5,33,000/- commencing from September 2021.

15.1.5 Current Maturities of Long Term borrowings have been disclosed seperately under the head other current financial liabilities (Refer Note No.19).



16 Provisions

Employee Benefit Obligations

Non Current

Gratuity	6,56,545	2,31,782
Leave Encashment	4,14,932	8,13,468
Sub Total	10,71,477	10,45,250

Current

Gratuity	59,553	44,154
Leave Encashment	10,585	20,555
Sub Total	70,138	64,709

Total

Gratuity	7,16,098	2,75,936
Leave Encashment	4,25,517	8,34,023
Grand Total	11,41,615	11,09,959

17 Deferred Tax Liabilities (net)

The balance comprises Temporary Differences attributable to:

(a) Deferred Tax Liability

(i) Property, Plant and Equipment	1,27,37,312	1,23,46,520
(ii) Others	1,61,754	1,92,806
Total	1,28,99,067	1,25,39,326

(b) Deferred Tax Asset

(i) Expenses allowable on Payment basis	9,03,548	3,73,844
(ii) MAT Credit	1,50,000	-
(iii) Others	21,47,010	22,80,775
Total	32,00,558	26,54,619

Net Deferred Tax Liabilities (a)-(b)

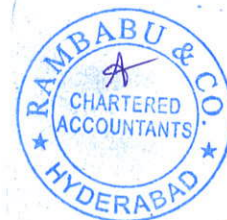
96,98,509	98,84,707
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17.1 (c) Movement in Deferred Tax Liabilities

Particulars	Property, Plant and Equipment	Other Items	Total
As at 31st March, 2019	1,34,57,722	-	1,34,57,722
Charged/(Credited)	(11,11,202)	1,92,806	(9,18,396)
As at 31st March, 2020	1,23,46,520	1,92,806	1,25,39,326
Charged/(Credited)	3,90,792	(31,052)	3,59,741
As at 31st March, 2020	1,27,37,312	1,61,754	1,28,99,067

(d) Movement in Deferred Tax Assets

Particulars	Expenses allowable on Payment basis	MAT Credit	Other Items	Total
As at 01st April, 2018	3,31,848	5,60,118	16,67,651	25,59,617
(Charged)/Credited	41,996	(5,60,118)	6,13,124	95,002
As at 31st March, 2019	3,73,844	-	22,80,775	26,54,619
(Charged)/Credited	5,29,704	1,50,000	(1,33,765)	5,45,939
As at 31st March, 2020	9,03,548	1,50,000	21,47,010	32,00,558



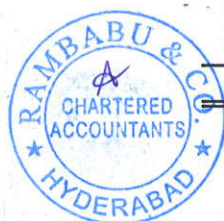
Mahi Drugs Private Limited
Notes to the Financial Statements
(All amounts in Indian Rupees, unless otherwise stated)

Note No.	Particulars	As at 31.03.2021	As at 31.03.2020
18	Trade Payables		
	(a) Creditors for Supply of Materials		
	(i) Due to Micro and Small Enterprises	3,99,496	55,880
	(ii) Others	4,76,45,161	3,81,87,775
	Total	4,80,44,657	3,82,43,655
19	Other Financial Liabilities		
	Current		
	Creditors for Expenses	59,05,477	31,77,776
	Current Maturities of Long-Term Debt	2,31,57,100	1,45,67,700
	Capital Creditors	94,31,924	1,31,47,602
	Total	3,84,94,501	3,08,93,078
20	Other Current Liabilities		
	Statutory dues Payable	5,54,997	4,58,705
	Advance from Customers	21,42,49,250	4,01,30,232
	Employee Benefits Payable	2,82,929	2,33,837
	Total	21,50,87,176	4,08,22,774
20.1	Advance from Customers Includes an amount of Rs.20,81,89,570/- received from holding Company. Viz. SMS Lifesciences India Limited.		
21	Current Tax Liabilities (Net)	-	21,35,893
21.1	Movement of Current Tax Liabilites.		
	Advance Income Tax	21,75,926	23,08,036
	TDS & TCS Receivable	6,22,844	56,468
	Less: Provision for Income Tax		
	Current Year	1,50,000	40,00,000
	Previous Years	-	5,00,397
		(26,48,770)	21,35,893
	Less: Disclosed under Current Tax Assets	26,48,770	-
	Total	-	21,35,893



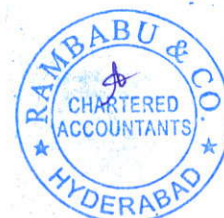
Mahi Drugs Private Limited
Notes to the Financial Statements
(All amounts in Indian Rupees, unless otherwise stated)

Note No	Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
22	Revenue from Operations		
	(a) Sale of Products	16,79,58,720	26,66,24,493
	Less: Goods and Service Tax	2,56,20,826	4,06,71,533
	Net Revenue from Sales	14,23,37,894	22,59,52,960
	(b) Sale of Services		
	Conversion Charges	3,37,52,076	
	Less: Goods and Service Tax	36,16,292	
	Net Revenue from Services	3,01,35,784	
	Total Net Revenue from Operations	17,24,73,678	22,59,52,960
23	Other Income		
	(a) Interest Income	20,72,643	5,36,664
	(b) Net Gain on Foreign Exchange	24,710	-
	(c) Miscellaneous Income (Net of GST)	23,85,235	34,40,483
	Total	44,82,588	39,77,147
24	Cost of Materials Consumed		
	Raw Materials & Packing Materials		
	Stock at the Beginning of the Year	1,81,34,364	1,39,91,066
	Add: Purchases	8,90,40,157	10,44,48,693
	Less: Stock at the End of the Year	1,39,88,563	1,81,34,364
	Total Materials Consumed	9,31,85,958	10,03,05,395
25	Changes in Inventories		
	(a) Opening Stock of Inventory		
	Finished Goods	95,70,065	2,69,25,081
	Stock in Process	73,12,747	3,28,61,487
	Sub Total (a)	1,68,82,812	5,97,86,568
	(b) Closing Stock of Inventory		
	Finished Goods	-	95,70,065
	Stock in Process	1,59,07,059	73,12,747
	Sub Total (b)	1,59,07,059	1,68,82,812
	(Increase)/Decrease in Stocks (a) - (b)	9,75,753	4,29,03,756
26	Manufacturing Expenses		
	Power and Fuel	1,89,39,384	1,61,50,881
	Consumable Stores	18,50,963	10,22,126
	Testing Charges	1,67,506	1,56,226
	Water Charges	14,32,124	12,91,302
	Effluent Treatment Charges	64,28,524	33,25,129
	Repairs and Maintenance		
	to Plant & Machinery	39,95,308	36,86,613
	to Buildings	1,70,089	1,69,198
	Factory Maintenance	25,00,070	15,81,477
	Total	3,54,83,968	2,73,82,951



Mahi Drugs Private Limited
Notes to the Financial Statements
(All amounts in Indian Rupees, unless otherwise stated)

Note No	Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
27	Employee Benefits Expense		
	Salaries, Wages and Bonus	3,01,62,351	2,89,18,095
	Contribution to Provident Fund	17,09,160	14,37,950
	Contribution to ESI	2,13,257	2,20,341
	Staff Welfare Expenses	33,92,862	23,52,046
	Total	3,54,77,629	3,29,28,432
28	Finance Cost		
	Interest on Current Borrowings	-	-
	Interest on Others	1,02,487	49,773
	Bank Charges	1,88,775	4,33,566
	Total	2,91,262	4,83,339
29	Depreciation and Amortisation Expense		
	Depreciation on Property, Plant and Equipment	64,82,226	61,76,745
	Total	64,82,226	61,76,745
30	Other Expenses		
	Rent	1,02,000	25,500
	Rates and Taxes	4,59,283	6,00,699
	Repairs & Maintenance to Other Assets	45,073	26,909
	Insurance	11,56,345	4,00,740
	Travelling and Conveyance	44,363	1,02,459
	Communication Expenses	86,275	66,754
	Printing and Stationery	5,53,959	3,33,440
	Payments to Auditors	3,00,000	3,00,000
	Vehicle Maintenance	2,12,882	2,844
	Loss on Sale of Assets	-	4,12,040
	General Expenses	7,16,454	6,07,815
	Carriage Outward	5,17,001	10,29,454
	Total	41,93,635	39,08,653
30.1	Details of payment to Auditors		
	Statutory Audit fee	2,00,000	2,00,000
	Tax Audit fee	1,00,000	1,00,000
	Total	3,00,000	3,00,000



Mahi Drugs Private Limited
Notes to the Financial Statements
(All amounts in Indian Rupees, unless otherwise stated)

31 Income Tax Expense

Current Tax

Current Tax on Profits for the Year	1,50,000	40,00,000
Adjustments for Current Tax of Prior Years	(16,61,819)	-
Total Current Tax	(15,11,819)	40,00,000

s Deferred Tax

Increase(Decrease) in Deferred Tax Liabilities	3,59,741	(9,18,396)
Decrease(increase) in Deferred Tax Assets	(5,45,939)	(95,002)
Actuarial (Gain)/Loss	(54,287)	(41,616)
Total Deferred Tax Expense/(Benefits)	(2,40,485)	(10,55,014)

Total Tax Expenses

(17,52,304) 29,44,986

31.1 Reconciliation of Tax Expense with Tax on Accounting Profit at normal rate is as follows:

(a) Profit Before Income Tax Expenses	8,65,835	1,58,40,836
(b) Enacted Tax Rate in India	27.82%	27.82%
(c) Expected Tax Expenses (a)x(b)	2,40,875	44,06,921

(d) Tax Effect on Permanent Difference:

Expenses not allowed under Income Tax Act	3,90,792	2,66,607
Others	(6,99,689)	(17,28,542)
Expenses allowable under payment basis	(22,464)	
Adjustment of Current Tax of Prior Periods	(16,61,819)	-

Total Adjustments

(19,93,180) (14,61,935)

Expenses as per Profit & Loss

(17,52,305) 29,44,986

Effective Tax Rate

-202.38% 18.59%

32 Other Comprehensive Income

Actuarial Gain/(Loss) on Post Employment Benefit Expenses
Return on Plan Assets excluding net interest

Deferred Taxes on above

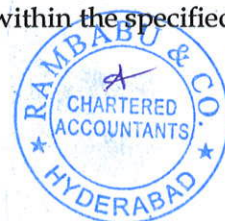
Net Comprehensive Income

33 Earnings Per Share

(a) Net Profit	26,18,140	1,28,95,850
(b) No. of Equity Shares	47,15,100	47,15,100
(b) Earnings Per Share (Amt in Rs.)	0.56	2.74

34 Note on CSR Liability

As per the Section 135 (I) of the Companies Act, 2013 Corporate Social Responsibility provisions are not applicable to the Company for the financial year 2018-19, as the Company is within the specified limits of the said section



35 Post Employment Benefits

35.1 Defined Contribution Plans

35.1.1 Employer's Contribution to Provident Fund:

Contributions are made to provident fund in India for employees at the rate of 12% of the employees qualifying salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards PF Contribution is Rs.17,09,160/- (31st March, 2020- Rs. 14,37,950/-).

35.1.2 Employer's Contribution to State Insurance Scheme:

Contributions are made to State Insurance Scheme in India for employees at the rate of 3.25%. The Contributions are made to Employee State Insurance Corporation(ESI) to the respective State Governments of the Company's location. This Corporation is administered by the Government and the obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the year towards ESI Contribution is Rs.2,13,257/- (Previous Year - Rs. 2,20,341/-).

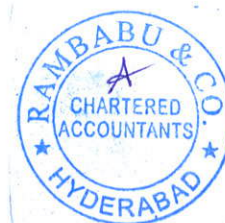
35.2 Defined Benefit Plans

The Company has a defined benefit gratuity plan governed by Payment of Gratuity Act, 1972. Every Employee who has completed five years or more of service is entitled to a gratuity on departure at 15 days salary for each completed year of Service. The Scheme is funded through a policy with Life Insurance Corporation of India (LIC).

The Company has a defined benefit Compensated Absence Plan governed by the Factories Act, 1948. Every Employee who has worked for a period of 240 days or more during a calendar year shall be allowed during the subsequent calendar year, leave with wages for a number of days calculated as per Act.

The following table summarise net benefit expenses recognised in the statement of profit and loss, the status of funding and the amount recognised in the Balance Sheet for both the plans:

Particulars	31st March, 2021		31st March, 2020	
	Gratuity (funded)	Leave Encashment (unfunded)	Gratuity (funded)	Leave Encashment (unfunded)
35.2.1 Net Employee Benefit Expense (recognised in Employee Benefit Expenses)				
Current Service Cost	7,51,770	4,56,700	5,84,202	2,78,592
Interest Cost	(6,757)	55,685	(13,336)	62,582
Contribution Paid	(5,00,000)	(52,911)	(2,00,000)	-
Actuarial (Gain)/Loss recognised for the Period	-	(8,67,980)	-	(2,99,771)
Net Employee Benefit Expenses	<u>2,45,013</u>	<u>(4,08,506)</u>	<u>3,70,866</u>	<u>41,403</u>
35.2.2 Other Comprehensive Income				
Actuarial Gain/(Loss)	95,472	-	(2,01,218)	-
Actual return on plan asset	(2,90,621)	-	51,626	-
	<u>(1,95,149)</u>	<u>-</u>	<u>(1,49,592)</u>	<u>-</u>
35.2.3 Amount recognised in the Balance Sheet				
Defined Benefit Obligation	33,54,327	4,25,517	25,28,589	8,34,023
Fair Value of Plan Assets	(26,38,229)	-	(22,52,653)	-
	<u>7,16,098</u>	<u>4,25,517</u>	<u>2,75,936</u>	<u>8,34,023</u>



35.2.4 Change in the Present Value of the Defined Benefit Obligation

Opening Defined Benefit Obligation	25,28,589	8,34,023	19,96,954	8,28,620
Current Service Cost	7,51,770	4,56,700	5,84,202	2,78,592
Interest Cost	1,69,440	55,685	1,48,651	62,582
Benefits Paid	-	(52,911)	-	(36,000)
Net Actuarial (gain)/ losses on Obligation for the year recognised under OCI	(95,472)	(8,67,980)	(2,01,218)	(2,99,771)
Closing Defined Benefit Obligation	33,54,327	4,25,517	25,28,589	8,34,023

35.2.5 Change in the Fair Value of Plan Assets

Opening Fair Value of Plan Assets	22,52,653	-	19,42,292	-
Return on Plan Assets Excluding Interest Income	(2,90,621)	-	(51,626)	-
Interest Income	1,76,197	-	1,61,987	-
Contributions	5,00,000	52,911	2,00,000	36,000
Benefits Paid	-	(52,911)	-	(36,000)
Closing Fair Value of Plan Assets	26,38,229	-	22,52,653	-

35.2.6 Actuarial (Gain)/Loss on Obligation

Due to Demographic Assumption	-	-	-	-
Due to Financial Assumption	(18,417)	(2,001)	2,96,862	94,487
Due to Experience	(77,055)	(8,65,979)	(4,98,080)	(3,94,258)
Return on Plan Assets excluding Interest	-	-	-	-
Total Actuarial (Gain)/Loss	(95,472)	(8,67,980)	(2,01,218)	(2,99,771)

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

Particulars	31st March, 2021	31st March, 2020	
State Govt Security	13,11,200	11,19,569	49.70%
Central Govt Security	4,94,668	4,22,372	18.75%
NCD/Bonds	5,99,142	5,11,577	22.71%
Others	2,33,219	1,99,135	8.84%
Total	26,38,229	22,52,654	

Expected Return on Assets is based on rate of return declared by fund managers.

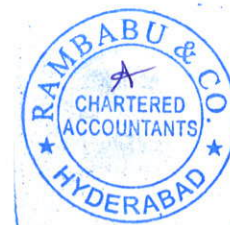
35.2.8 Actuarial Assumptions for estimating Company's Defined Benefit Obligation:

Particulars	31 March 2021	31 March 2020
Discount rate	6.80%	6.76%
Attrition Rate	PS : 0 to 40 : 2%	PS : 0 to 40 : 2%
Expected rate of increase in Salary	6.00%	6.00%
Expected rate of return on Plan Assets		
Mortality Table	IALM (2012-14) Ult.	IALM (2012-14) Ult.
Expected average remaining Service (Yrs)	19.10	18.25

(a) Assumptions regarding future mortality experience are set in accordance with the published statistics by the Life Insurance Corporation of India.

(b) Plan assets does not comprise any of the Company's own financial instruments or any assets used by the Company. The Company has the plan covered under a policy with the Life Insurance Corporation of India.

(c) The Significant actuarial assumptions for the determination of the defined benefit obligation are the discount rate, the salary growth rate and the average life expectancy. The calculation of the net defined benefit liability is sensitive to these assumptions. However, the impact of these changes is not ascertained to be material by the management.



35.2.9 Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	31 March 2021	31 March 2020
Defined Benefit Obligation	7,16,098	2,75,936
Effect of 1% change in assumed discount rate on defined benefit obligation		
Increase : +1%	29,34,751	22,01,675
Decrease: -1%	38,58,263	29,23,048
Effect of 1% change in assumed salary escalation rate on defined benefit obligation		
Increase : +1%	38,51,155	29,17,360
Decrease: -1%	29,33,317	22,00,642

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (Projected Unit Credit Method) has been applied while calculating the defined benefit liability recognised within the Balance Sheet.

35.2.10 Other Information

(i) Expected rate of return basis

Since the scheme funds are invested with LIC of India EROA is based on rate of return declared by fund managers

(ii) Description of Plan Assets and Reimbursement Conditions

100% of the Plan Asset is entrusted to LIC of India under their Group Gratuity Scheme. The reimbursement is subject to LIC's Surrender Policy

(iii) Discount Rate

The discount rate has Decreased from 7.66% to 6.76% and hence there is a decrease in liability leading to actuarial gain due to change in discount rate.

(iv) Present Value of Defined Benefit Obligation:

Present value of the defined benefit obligation is calculated by using Projected Unit Credit Method (PUC Method).

Under the PUC Method, a "projected accrued benefit" is calculated at the beginning of the year and again at the end of the year for each benefit that will accrue for all active members of the Plan. The "Projected accrued benefit" is based on the Plan's accrual formula and upon service as of the beginning or end of the year, but using a member's final compensation, projected to the age at which the employee is assumed to leave active service. The Plan Liability is the actuarial present value of the "Projected accrued benefits" as of the beginning of the year for active members.

(v) Expected Average remaining service vs. Average remaining future service:

The average remaining service can be arithmetically arrived by deducting current age from normal retirement age whereas the expected average remaining service is arrived actuarially by applying multiple decrements to the average remaining future service namely mortality and withdrawals. Thus, the expected average remaining service is always less than the average remaining future service.

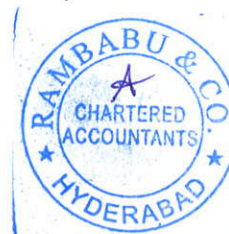
(vi) Current and Non Current Liability:

The total of current and non-current liability must be equal with the total of PVO

(Present value obligation) at the end of the period plus short term compensated liability if any. It has been classified in terms of "Schedule III" of the Companies Act, 2013.

(vii) Defined Benefit Liability and Employer Contributions

The Company has purchased insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company. Any deficit in the assets arising as a result of such valuation is funded by the Company. The company considers that the contribution rate set at the last valuation date are sufficient to eliminate the deficit over the agreed period and that regular contributions, which are based on service costs will not increase significantly.



The Weighted Average duration of the defined benefit obligation is 9.14 years(Previous Year 10.33 years). The expected cash flows over the subsequent years is as follows:

Expected Payout Gratuity	31st March, 2021	31st March, 2020
1st Year	59,553	44,154
2nd Year	64,371	51,244
3rd Year	81,738	54,523
4th Year	94,092	68,706
5th Year	1,01,508	75,861
beyond 5th Year	9,07,300	7,11,479

35.2.11 Risk exposure

Though it is defined benefit plans, the company is exposed to a number of risks, the most significant of which are detailed below:

(a) Investment / Interest Risk:

The Company is exposed to Investment / Interest risk if the return on the invested fund falls below the discount rate used to arrive at present value of the benefit.

(b) Longevity Risk:

The Company is not exposed to risk of the employees living longer as the benefit under the scheme ceases on the employee separating from the employer for any reason.

(c) Risk of Salary Increase

The Company is exposed to higher liability if the future salaries rise more than assumption of salary escalation.

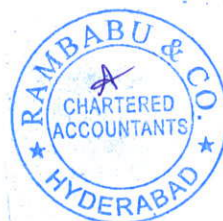
36 Assets Pledged as Security

For Non Current Borrowings

Secured by First Charge on Property, Plant and Equipment, Investment Property and Second Charge on Current Assets.

The carrying amounts of Company's assets pledged as security for Non Current Borrowings of an amount of Rs 19,82,86,808/- (Previous year Rs 14,49,83,951/) are as follows:

Particulars	31st March, 2021	31st March, 2020
Property, Plant and Equipment	119978711.2	12,68,11,596
Sub Total	11,99,78,711	12,68,11,596
Current Assets	12,07,10,353	10,21,25,829
Total Assets Pledged as Security	24,06,89,065	22,89,37,426



Mahi Drugs Private Limited
Notes to the Financial Statements
 (All amounts in Indian Rupees, unless otherwise stated)
Financial Instruments and Risk Management
Categories of Financial Instrument

37

Particulars	Notes	Level	As at		As at	
			31 March, 2021		31 March, 2020	
			Carrying Value	Fair Value	Carrying Value	Fair Value
A. Financial Assets						
(i) Non Current						
(a) Other Financial Assets	5	3	29,44,234	29,44,234	21,16,950	21,16,950
Sub - Total			29,44,234	29,44,234	21,16,950	21,16,950
(ii) Current						
(a) Trade Receivables	8	refer	4,15,58,702	4,15,58,702	2,97,982	2,97,982
(b) Cash and Cash Equivalents	9	note	7,28,010	7,28,010	1,49,34,737	1,49,34,737
(c) Other Bank Balances	10	37.2	2,08,91,077	2,08,91,077	3,80,00,000	3,80,00,000
Sub - Total			6,31,77,788	6,31,77,789	5,32,32,720	5,32,32,720
Total Financial Assets			6,61,22,022	6,61,22,023	5,53,49,670	5,53,49,670
B. Financial Liabilities						
(i) Non Current						
(a) Borrowings	15	3	17,51,29,708	17,51,29,708	13,04,16,251	13,04,16,251
(ii) Current						
(a) Borrowings		refer	-	-	-	-
(b) Trade Payables	18	note	4,80,44,657	4,80,44,657	16,20,83,306	16,20,83,306
(c) Other Financial Liabilities	19	37.2	3,84,94,501	3,84,94,501	3,08,93,078	3,08,93,078
Sub - Total			8,65,39,158	8,65,39,158	19,29,76,384	19,29,76,384
Total Financial Liabilities			26,16,68,866	26,16,68,866	32,33,92,635	32,33,92,635

37.1 The Company's Principal Financial liabilities comprise Loans and Borrowings, Trade Payables and other Liabilities. The main purpose of these financial Liabilities is to Finance the Company's Operations. The Company's Principal Financial Assets include Loans, Trade and Other Receivables, Cash and Cash Equivalents, Bank balances that derive directly form its Operations.

37.2 The Carrying Amounts of Trade Payables, Other Financial Liabilities, Cash and Cash equivalents, Other Bank Balances, Trade Receivables and Other Financial Assets are considered to be the same as their fair values due to their short term nature.

37.3 Other Non Current Financial Assets consists of certain non current portion relating to deposits with Government authorities where the fair value is considered to be the carrying value.



Mahi Drugs Private Limited

Notes to the Financial Statements

(All amounts in Indian Rupees, unless otherwise stated)

38 Fair Value Measurements

38.1 Fair Value Hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entry specific estimates.

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

39 Financial Risk Management Objectives and Policies

Financial Risk Management Framework

The Company is exposed primarily to credit risk, liquidity risk and market risk (fluctuations in foreign currency exchange rates and interest rate), which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

39.1 Credit Risk:

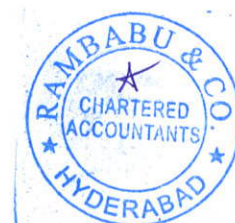
Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit. Financial instruments that are subject to concentrations of credit risk principally consist of trade receivables, cash and cash equivalents, bank deposits and other financial assets. None of the financial instruments of the Company result in Material Concentration of credit risk, except for Trade Receivables.

(i) Financial Instruments and Cash Deposits

For banks and financial institutions, only high rated banks/ institutions are accepted. Other Financial assets (excluding Bank deposits) majorily constitute deposits given to State electricity departments for supply of power, which the company considers to have negligible credit exposure. Counterparty credit limits are reviewed by the Management on an annual basis, and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

(ii) Expected Credit Loss for Trade Receivables under simplified approach

For trade receivables, the group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.



Mahi Drugs Private Limited**Notes to the Financial Statements**

(All amounts in Indian Rupees, unless otherwise stated)

Following are the Expected Credit Loss for Trade Receivables under simplified approach:

Particulars	31st March, 2021	31st March, 2020
Gross Carrying Amount	4,15,58,702	2,97,982
Expected Credit Losses (Loss allowance Provision)	-	-
Net Carrying Amount of Trade Receivables	4,15,58,702	2,97,982

Expected Credit Loss for Trade Receivables under simplified approach:

Particulars	Outstanding			Total
	for < 90 days	> 90 days & < 180 days	for > 180 days	
Gross Carrying Amount of Trade Receivables	4,15,58,702	-	-	4,15,58,702
Expected Loss Rate	0.00%	0.00%	0.00%	0.00%
Expected Credit Losses (Loss Allowance Provision)	-	-	-	-
Net Carrying Amount of Trade Receivables	4,15,58,702	-	-	4,15,58,702

39.2 Liquidity Risk:

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

39.3 Market Risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk, currency rate risk, interest rate risk and other price risks such as equity risk. Foreign currency risk impact is not significant as the foreign currency term loan was hedged with the concerned lender. Other Foreign Currency transactions are very meager.

39.4 Interest Rate Risk:

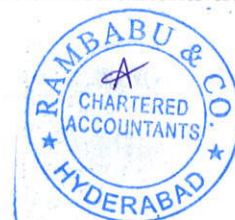
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest risk management by balancing the proportion of fixed rate and floating rate financial instruments in its portfolio.

Particulars	Change in basis points		Effect on Profit before Tax	
	Increase	Decrease	Decrease	Increase
31st March, 2021	0.50%	0.50%	(9,81,323)	9,81,323
31-Mar-20	0.50%	0.50%	(7,24,920)	7,24,920

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

39.5 Other Price Risk:

Other price risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market prices whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market.



40 Capital Management

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

The Company manages its capital structure in consideration to the changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total equity plus net debt. The Company intends to keep the gearing ratio less than 1. The Company includes within net debt, borrowings including interest accrued on borrowings less cash and short term deposits.

Particulars	31st March, 2021	31st March, 2020
Borrowings including Interest Accrued	19,82,86,808	14,49,83,951
Less: Cash and Short Term Deposits	2,16,19,087	5,29,34,737
Net Debt	17,66,67,721	9,20,49,214
Equity	4,71,51,000	4,71,51,000
Other Equity	7,11,69,494	6,84,10,492
Total Equity	11,83,20,494	11,55,61,492
Total Capital	29,49,88,214	20,76,10,705
Gearing Ratio (Net Debt/((Net Debt +Total	0.60	0.44

41 Contingent Liabilities

Contingint liabilites are Nil as on 31st March 2021. (31st March 2020: Nil.)

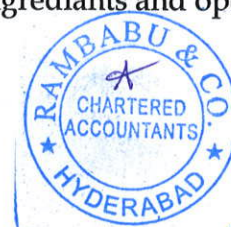
42 Commitments

Capital Commitents are Rs 8,02,96,901/- as on 31st March 2020. (31st March 2020, Rs. 2,46,79,191/-.)

43 Segment Information

(a) Description of Segments and Principal Activities

The Management Director has been identified as being the chief operating decision maker(CODM). Operating segments are defined as components of an enterprise for which discrete financial information is available. This is evaluated regularly by the CODM, in deciding how to allocate resources and assessing the Company's performance. The Company is engaged in manufacturing and sale of Intermediates of Active Pharma Ingredients and operates in a single operating segment.



44 Payables to Micro, Small & Medium Enterprises

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

Particulars	As at 31st March, 2021	As at 31st March, 2020
(i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;	3,99,496	55,880
(ii) Interest on payments beyond the appointed day paid to the suppliers during the year		
(iii) Interest due and payable for the delay in making payment to suppliers during the year	76,191	47,133
(iv) Amount of interest accrued and remaining unpaid to suppliers at the end of the year		
(v) Amount of further interest remaining due and payable to suppliers in succeeding years		

The above information regarding Micro Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the auditors.

45 Related Party Transactions

(a) Key Management Personnel(KMP)

Name	Relationship
Sri TVVSN Murthy	Director
Sri T.V.Praveen	Director

(b) Relatives of KMP

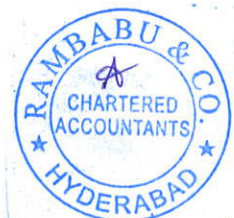
Name of the Relative
Sri. G.V. Chaitanya

(c) List of Related Parties over which Control / Significant Influence exists with whom the Company has transactions :

Relationship	Name of the Company
Holding Company	SMS Lifesciences India Limited
Enterprises over which KMP are able to Exercise Significant Influence	1. SMS Pharmaceuticals Limited 2. Rchem(Somanahalli) Private Limited 3. VKT Pharma Private Limited

(d) Transactions with Related Parties:

Name of the Company	31st March, 2021 Amount	31st March, 2020 Amount
Relatives of KMP		
Remuneration - (Short Term Employee Benefits)	23,09,280	23,09,280
Holding Company		
Purchases	1,57,66,246	6,21,85,035
Sales	12,51,86,001	15,89,26,183
Enterprise with Significant Influence		
Purchases	-	5,74,550
Sales	1,09,03,200	6,43,730
Balance (Payable)/Receivable at the year end		
Relatives of KMP		
Remuneration Payable	1,40,440	1,28,025
Holding Company	(20,81,89,570)	(3,94,41,297)
Enterprise with Significant Influence	4,428	(1,95,566)



(e) Note:

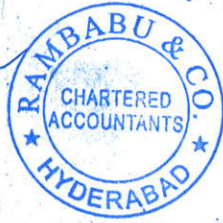

- i) The above transactions are in the ordinary course of business and are at arm's length price.
- ii) As the future liability for gratuity and leave encashment is provided on an actuarial basis for the Company as a whole, the amount pertaining to the Key Management Personnel and their relatives is not ascertainable and, therefore, not included above. Contribution to Provident Fund was also not included.

46 Impact of Covid-19 Pandemic

The Company considered the uncertainty relating to the COVID-19 pandemic in assessing the realisability of its inventories, receivables and investments. As the company is into essential manufacturing service which is exempt from lockdown restrictions, there has been minimal impact on its operations and its supply chain. In this regard, the Company has considered internal and external information while finalizing various estimates in relation to its financial statements up to the date of approval by the Board of Directors and has not identified any material impact on the carrying value of assets, liabilities or provisions. As the outbreak continues to evolve, the Company will continue to closely monitor any material changes to future economic conditions.

47 Previous year figures have been regrouped and reclassified whenever considered necessary to confirm to this year classification

As per our report of even date
for RAMBABU & CO
Chartered Accountants
FRN 002976S



G.V.L. Prasad
Partner
M No. 026548

for and on behalf of the Board
Mahi Drugs Private Limited



TVVSN MURTHY
Director
DIN No: 00465198



T V PRAVEEN
Director
DIN No: 08772030

Place : Hyderabad
Date : 18th June,2021