Independent Auditor's Report

To the Members of **Neuland Laboratories Limited**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Neuland Laboratories Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on consideration of reports of other auditors on separate financial statements and on the other financial information of subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2023, of consolidated profit, other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by Institute of Chartered Accountant of India ("ICAI"), and the relevant provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 consolidated financial statements for the year ended March 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Sr. No	Key Audit Matters	How the Key Audit Matter was addressed in our audit
1	**Impairment of Goodwill** Refer Note 37 to the consolidated Ind AS financial statements The goodwill balance as of March 31, 2023 of ₹27,946.10 lakhs is pertaining to merger of Neuland Health Sciences Private Limited ("NHSPL") and Neuland Pharma Research Private Limited ("NPRPL") with the Holding Company with appointed date of April 01, 2016. As at March 31, 2023, Goodwill represents 17.69% of the Group's total assets and 28.11% of the Group's total shareholder's equity. The Holding Company has tested goodwill for impairment on an annual basis as required by "IND AS 36 - Impairment of Asset". In determining the fair value/ value in use of business reporting units, the Holding Company has applied judgment in estimating future revenues, operating profit margins, long-term growth rate and discount rates. Due to significance of the above matter and involvement of the significant management judgement in estimation of fair value/ value in use, the assessment of recoverability of carrying value of goodwill is considered as key audit matter.	Our audit procedures in respect of this area included, but are not limited to, following: 1. Obtained an understanding from the management of the Group with respect to process followed and assessed the design, implementation and tested the operating effectiveness of internal controls over impairment testing related to goodwill; 2. Assessed the Group's internal controls over preparation of annual budgets and future forecasts for the business as a whole and the approach followed for annual impairment test and key assumptions applied; 3. Evaluated the reasonableness of the assumptions used and appropriateness of the valuation methodology applied and tested the discount rate and terminal growth rates used in the forecast including comparison to economic data, industry report, data from competitors and historic performances wherever appropriate to compare and corroborate; 4. Assessed reasonableness and appropriateness of the future revenue and margin projections, the historical accuracy of the Group's estimates and its ability to produce accurate long-term forecasts; 5. Compared the reasonableness of future operating cash flow forecasts with the business plan and budgets approved by the Board; and tested the mathematical accuracy of management's calculations. 6. Assessed the adequacy and appropriateness of the disclosures made in the Consolidated Financial Statements in compliance with the requirements of applicable Indian Accounting Standards and applicable financial reporting framework.

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

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

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board of Directors either intends to liquidate the respective companies or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 Standards on Auditing ("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 consolidated financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Consolidated Financial Statements.

Other Matters

We did not audit the financial statements of two subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of ₹772.11 lakhs as at March 31, 2023, total revenues (before consolidation adjustments) of ₹1,120.59 lakhs and net cash outflows (before consolidation adjustments) amounting to ₹132.14 lakhs for the year ended on that date, as considered in the consolidated financial statements. These subsidiaries are located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. These conversion adjustments have not been audited and our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company. According to the information and explanations given to us by the management of the Holding Company, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company, none of the directors are disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

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

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group– Refer Note 41 to the consolidated financial statements.

ii. The Group did not have any material foreseeable losses 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 Holding Company.

iv. (1) The respective Managements of the Holding Company whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or the subsidiaries to or in any other person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that such parties shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or the subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(2) The respective Managements of the Holding Company whose financial statements have been audited under the Act have represented to us that to the best of their knowledge and belief, no funds have been received by the Holding Company or any of its subsidiaries from any person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Holding Company or any of the subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(3) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us, and according to the information and explanations provided to us by the Management of the Holding Company in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.

2. In our opinion, according to information, explanations given to us, the remuneration paid by the Group to its directors is within the limits prescribed under Section 197 of the Act and the rules thereunder.

3. The Holding Company does not have any subsidiaries, associates and jointly controlled entities in India. Hence, reporting of qualifications/adverse remarks under the Companies (Auditor's Report) Order 2020 does not arise.

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration No. 105047W

Amit Kumar Agarwal
Partner
Membership No. 214198
UDIN: 23214198BGXCQS8666

Place: Hyderabad, INDIA
Date: May 11, 2023

Annexure A

TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF NEULAND LABORATORIES LIMITED

Auditor's Responsibilities for the Audit of the Consolidated 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 consolidated 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 consolidated 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 ability of the Group 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 consolidated 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 Group to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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 consolidated financial statements for the year ended March 31, 2023, and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration No. 105047W

Amit Kumar Agarwal
Partner
Membership No. 214198
UDIN: 23214198BGXCQS8666

Place: Hyderabad, INDIA
Date: May 11, 2023

Annexure B

TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF NEULAND LABORATORIES LIMITED

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Neuland Laboratories Limited on the consolidated Financial Statements for the year ended March 31, 2023]

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

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of Neuland Laboratories Limited (hereinafter referred to as "the Holding Company") as of that date.

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the internal controls with reference to consolidated financial statements criteria established by the respective companies 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 ("the ICAI").

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company 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") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 with reference to consolidated financial statements 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, 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 judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A Company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to consolidated financial statements 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 consolidated 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 consolidated financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **M S K A & Associates**
Chartered Accountants
ICAI Firm Registration No. 105047W

Amit Kumar Agarwal
Partner
Membership No. 214198
UDIN: 23214198BGXCQS8666

Place: Hyderabad, INDIA
Date: May 11, 2023

Consolidated Balance Sheet

as at March 31, 2023

(All amounts are in Indian ₹ in lakhs, except for share data and where otherwise stated)

		Notes	As at 31 March 2023	As at 31 March 2022
I.	**ASSETS**			
	Non-current assets			
	Property, plant and equipment	3(a)	**45,133.77**	45,712.23
	Right of use assets	43	**609.45**	899.68
	Capital work-in-progress	3(b)	**4,056.58**	2,045.71
	Investment property	36	**1,934.30**	1,965.84
	Goodwill	37	**27,946.10**	27,946.10
	Other intangible assets	4	**130.07**	212.02
	Financial assets			
	(i) Investments	5	**52.49**	49.74
	(ii) Other financial assets	6	**772.52**	586.24
	Income tax assets (net)		**855.07**	515.01
	Other non-current assets	7	**396.69**	337.02
	Total non-current assets		**81,887.04**	**80,269.59**
	Current assets			
	Inventories	8	**27,923.34**	26,521.01
	Financial assets			
	(i) Investments	5	-	337.68
	(ii) Trade receivables	9	**36,176.80**	23,432.64
	(iii) Cash and cash equivalents	10	**4,541.59**	509.14
	(iv) Bank balances other than (iii) above	11	**1,368.83**	1,526.81
	(v) Other financial assets	6	**702.88**	429.63
	Other current assets	7	**5,375.97**	5,322.34
	Total current assets		**76,089.41**	**58,079.25**
	Total assets		**157,976.45**	**138,348.84**
II.	**EQUITY AND LIABILITIES**			
	Equity			
	Equity share capital	12	**1,290.05**	1,290.05
	Other equity	13	**98,119.60**	82,760.03
	Total equity		**99,409.65**	**84,050.08**
	Liabilities			
	Non-current liabilities			
	Financial liabilities			
	(i) Borrowings	14	**7,424.59**	10,424.79
	(ii) Lease liabilities	43	**384.75**	693.96
	Provisions	15	**1,029.09**	1,191.43
	Deferred tax liabilities (net)	16	**5,829.89**	5,669.94
	Other non-current liabilities	17	**2.78**	2.98
	Total non-current liabilities		**14,671.10**	**17,983.10**
	Current liabilities			
	Financial liabilities			
	(i) Borrowings	14	**4,726.40**	12,669.82
	(ii) Lease liabilities	43	**309.23**	264.63
	(iii) Trade payables			
	- total outstanding dues of micro and small enterprises	18	**1,135.56**	1,621.11
	- total outstanding dues of creditors other than micro and small enterprises		**15,964.95**	10,117.21
	(iv) Other financial liabilities	19	**6,554.38**	4,837.12
	Provisions	15	**152.66**	121.31
	Other current liabilities	17	**14,012.33**	6,684.46
	Current tax liability (net)		**1,040.19**	-
	Total current liabilities		**43,895.70**	**36,315.66**
	Total liabilities		**58,566.80**	**54,298.76**
	Total equity and liabilities		**157,976.45**	**138,348.84**

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

As per our report of even date

For **M S K A & Associates**
Chartered Accountants
Firm's Registration No: 105047W

For and on behalf of the Board of Directors of **Neuland Laboratories Limited**

Amit Kumar Agarwal
Partner
Membership No: 214198

Dr. D. R. Rao
Executive Chairman
DIN 00107737

D. Sucheth Rao
Vice Chairman and CEO
DIN 00108880

D. Saharsh Rao
Vice Chairman and Managing Director
DIN 02753145

Abhijit Majumdar
Chief Financial Officer

Sarada Bhamidipati
Company Secretary

Place: Hyderabad
Date: 11 May 2023

Place: Hyderabad
Date: 11 May 2023

Consolidated Statement of Profit and Loss

for the year ended March 31, 2023

(All amounts are in Indian ₹ in lakhs, except for share data and where otherwise stated)

		Notes	For the year ended 31 March 2023	For the year ended 31 March 2022
I.	**Income**			
	Revenue from operations	20	**119,119.80**	95,107.66
	Other income	21	**974.82**	207.68
	Total income (I)		**120,094.62**	**95,315.34**
II.	**Expenses**			
	Cost of materials consumed	22	**48,773.58**	43,755.36
	Changes in inventories of finished goods and work-in-progress	23	**(950.70)**	(1,541.47)
	Employee benefits expense	24	**20,178.55**	18,247.23
	Finance costs	25	**1,306.71**	1,349.51
	Depreciation and amortisation expenses	26	**5,277.74**	4,904.02
	Manufacturing expenses	27	**13,555.65**	13,136.31
	Other expenses	28	**10,378.45**	7,248.13
	Total expenses (II)		**98,519.98**	**87,099.09**
III.	**Profit before tax (I-II)**		**21,574.64**	8,216.25
IV.	**Tax expense**	29		
	Current tax		**5,043.94**	2,042.90
	Deferred tax		**178.94**	(208.85)
	Total tax expense (IV)		**5,222.88**	**1,834.05**
V.	**Profit for the year (III-IV)**		**16,351.76**	**6,382.20**
VI.	**Other comprehensive income**			
	Items not to be reclassified to profit or loss			
	Re-measurement gain/ (losses) on defined benefit plans		**(75.46)**	(396.90)
	Net (loss)/gain on equity securities		**(334.92)**	(302.16)
	Income tax relating to items that will not be reclassified to profit or loss		**18.99**	99.89
	Items that will be reclassified to profit or loss			
	Exchange differences in translating the financial statements of foreign operations		**40.69**	6.18
	Other comprehensive income for the year, net of tax (VI)		**(350.70)**	**(592.99)**
VII.	**Total comprehensive income for the year (V+VI)**		**16,001.06**	**5,789.21**
VIII.	**Earnings per equity share [EPES] (in absolute ₹ terms)**	30		
	Nominal value per equity share		**10**	10
	Basic EPES (in ₹)		**127.45**	49.74
	Diluted EPES (in ₹)		**127.45**	49.74

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

As per our report of even date

For **M S K A & Associates**
Chartered Accountants
Firm's Registration No: 105047W

For and on behalf of the Board of Directors of **Neuland Laboratories Limited**

Amit Kumar Agarwal
Partner
Membership No: 214198

Dr. D. R. Rao
Executive Chairman
DIN 00107737

D. Sucheth Rao
Vice Chairman and CEO
DIN 00108880

D. Saharsh Rao
Vice Chairman and Managing Director
DIN 02753145

Abhijit Majumdar
Chief Financial Officer

Sarada Bhamidipati
Company Secretary

Place: Hyderabad
Date: 11 May 2023

Place: Hyderabad
Date: 11 May 2023

Consolidated Statement of Changes in Equity

for the year ended March 31, 2023

(All amounts are in Indian ₹ in lakhs, except for share data and where otherwise stated)

A Equity share capital

	Notes	Number of shares	Amount *
As at 1 April 2021		12,829,889	1,290.05
Changes in equity share capital during the year	12	-	-
As at 31 March 2022		12,829,889	1,290.05
Changes in equity share capital during the year		-	-
As at 31 March 2023		**12,829,889**	**1,290.05**

** includes ₹7.06 received towards forfeiture of equity shares during the earlier years*

B Other equity

	Reserves and Surplus					Other Comprehensive Income			Total equity attributable to equity holders of the Company
	Capital reserve	Securities premium	General reserve	Revaluation reserve	Retained earnings	Equity securities	Foreign currency translation reserve	Re-Measurement of defined benefit plans	
Balance as at 1 April 2021	3.32	49,777.35	2,789.65	83.89	24,815.86	(56.08)	56.95	(115.22)	77,355.72
Profit for the year	-	-	-	-	6,382.20	-	-	-	6,382.20
Dividend paid	-	-	-	-	(384.90)	-	-	-	(384.90)
Other comprehensive income (net of tax)	-	-	-	-	-	(302.16)	6.18	(297.01)	(592.99)
Balance as at 31 March 2022	**3.32**	**49,777.35**	**2,789.65**	**83.89**	**30,813.16**	**(358.24)**	**63.13**	**(412.23)**	**82,760.03**
Profit for the year	-	-	-	-	16,351.76	-	-	-	16,351.76
Dividend Paid	-	-	-	-	(641.49)	-	-	-	(641.49)
Other comprehensive income (net of tax)	-	-	-	-	-	(334.92)	40.69	(56.47)	(350.70)
Balance as at 31 March 2023	**3.32**	**49,777.35**	**2,789.65**	**83.89**	**46,523.43**	**(693.16)**	**103.82**	**(468.70)**	**98,119.60**

Dividend made and proposed

The amount of per share dividend recognized as distributions to equity shareholders for the year ended March 31, 2023 and March 31, 2022 was ₹5 and ₹3 respectively. The Board of Directors at its meeting held on May 10, 2022 had recommended a final dividend of 50% (₹5 per equity share of par value ₹10 each) for the financial year ended March 31, 2022 which was approved by the shareholders at the Annual General Meeting held on August 12, 2022. The aforesaid dividend was paid during the year ended March 31, 2023. The Board of Directors have recommended a final dividend of ₹10/- (Rupees Ten per equity share of par value ₹10 each) for the financial year ended March 31, 2023 which is subject to the approval of shareholders at the Annual General Meeting.

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

As per our report of even date

For **M S K A & Associates**
Chartered Accountants
Firm's Registration No: 105047W

For and on behalf of the Board of Directors of **Neuland Laboratories Limited**

Amit Kumar Agarwal
Partner
Membership No: 214198

Dr. D. R. Rao
Executive Chairman
DIN 00107737

D. Sucheth Rao
Vice Chairman and CEO
DIN 00108880

D. Saharsh Rao
Vice Chairman and Managing Director
DIN 02753145

Abhijit Majumdar
Chief Financial Officer

Sarada Bhamidipati
Company Secretary

Place: Hyderabad
Date: 11 May 2023

Place: Hyderabad
Date: 11 May 2023

Consolidated Statement of Cash Flows

for the year ended March 31, 2023

(All amounts are in Indian ₹ in lakhs, except for share data and where otherwise stated)

	For the year ended 31 March 2023	For the year ended 31 March 2022
Cash flow from operating activities		
Profit before tax	**21,574.64**	8,216.25
Adjustments to reconcile profit before tax to net cash flow:		
Depreciation and amortisation expenses	**5,277.74**	4,904.02
Interest income	**(155.63)**	(99.50)
Loss/(Gain) on sale of property, plant and equipment, net	**87.08**	180.81
Finance costs	**1,306.71**	1,349.51
Unrealised foreign exchange gain/(loss), net	**809.89**	289.84
Unrealised gain on forward contracts	-	(58.65)
Provision towards doubtful trade receivables	**466.98**	56.79
Provision for employee benefits	**(187.46)**	7.58
Operating cash flows before working capital changes	**29,179.95**	14,846.65
Movements in working capital:		
Changes in inventories	**(1,402.33)**	(1,760.24)
Changes in trade receivables	**(13,432.79)**	(1,710.01)
Changes in other financial assets	**(459.79)**	(69.65)
Changes in other assets	**(33.08)**	1,764.72
Changes in trade payables	**5,435.95**	(3,971.71)
Changes in other financial liabilities	**1,735.19**	(760.64)
Changes in other liabilities	**7,060.89**	(250.96)
Cash generated from operating activities	**28,083.99**	8,088.16
Income-taxes paid, net	**(4,362.80)**	(2,049.28)
Net cash generated from operating activities (A)	**23,721.19**	**6,038.88**
Cash flows from investing activities		
Purchase of property, plant and equipment and other intangible assets	**(6,612.85)**	(9,768.60)
Purchase of investments property	-	(101.48)
Proceeds from sale of property, plant and equipment	**149.13**	43.61
Movement in other bank balances	**159.98**	166.06
Interest income received	**153.89**	108.78
Net cash used in investing activities (B)	**(6,149.85)**	**(9,551.63)**

Consolidated Statement of Cash Flows

for the year ended March 31, 2023

(All amounts are in Indian ₹ in lakhs, except for share data and where otherwise stated)

	For the year ended 31 March 2023	For the year ended 31 March 2022
Cash flows from financing activities		
Proceeds from long-term borrowings	**309.94**	4,512.68
Repayment of long-term borrowings	**(3,562.37)**	(2,226.07)
Proceeds from/(repayment of) short-term borrowings (net)	**(8,105.72)**	3,479.54
Interest paid on borrowings	**(1,234.09)**	(1,275.80)
Dividend paid	**(641.49)**	(384.90)
Repayment of lease liabilities	**(264.62)**	(253.20)
Interest on lease liabilities	**(81.23)**	(80.10)
Net cash generated/(used) from financing activities (C)	**(13,579.58)**	**3,772.15**
Net increase in cash and cash equivalents during the year (A + B + C)	**3,991.76**	**259.40**
Cash and cash equivalents at the beginning of the year	**509.14**	243.56
Effect of exchange rate changes on cash and cash equivalents	**40.69**	6.18
Cash and cash equivalents at the end of the year (Note 10)	**4,541.59**	**509.14**

Reconciliation of Cash and cash equivalents as per Cash Flow Statement		
Cash and cash equivalents comprises of:		
Cash on hand	**2.01**	2.10
Balances with banks in current accounts	**1,190.41**	224.81
Balances in deposits with maturity of less than 3 months	**2,501.00**	-
Balances with banks in cash credit accounts	**848.17**	282.23
	4,541.59	**509.14**

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

As per our report of even date

For **M S K A & Associates**
Chartered Accountants
Firm's Registration No: 105047W

For and on behalf of the Board of Directors of **Neuland Laboratories Limited**

Amit Kumar Agarwal
Partner
Membership No: 214198

Dr. D. R. Rao
Executive Chairman
DIN 00107737

D. Sucheth Rao
Vice Chairman and CEO
DIN 00108880

D. Saharsh Rao
Vice Chairman and Managing Director
DIN 02753145

Abhijit Majumdar
Chief Financial Officer

Sarada Bhamidipati
Company Secretary

Place: Hyderabad
Date: 11 May 2023

Place: Hyderabad
Date: 11 May 2023

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian ₹ in lakhs, except for share data and where otherwise stated)

1. Corporate information

Neuland Laboratories Limited ("the Company") is a public limited company incorporated and domiciled in India. The Company's registered office is at 11th floor, 5 level, Phoenix IVY III Building Plot No. 573A, Road Number 82, Jubilee Hills, Hyderabad 500033. The shares of the Company are listed on two recognised stock exchanges of India viz. the National Stock Exchange of India Limited and BSE Limited. The Company is engaged in manufacturing and selling of bulk drugs and caters to both domestic and international markets.

The Board of Directors approved the consolidated financial statements for the year ended March 31, 2023 and authorised for issue on May 11, 2023.

2. Basis of preparation of consolidated financial statements

Statement of Compliance with Ind AS

The consolidated financial statements of the Company along with its subsidiaries (together referred to as "Group") have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as notified under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules 2015, as amended, issued by the Ministry of Corporate Affairs ('MCA').

Accounting policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. These consolidated financial statements have been prepared for the group as a going concern on the basis of relevant Ind AS that are effective at the group's annual reporting date March 31, 2023.

These consolidated financial statements have been prepared on the historical cost convention and on an accrual basis except for the following material items in the balance sheet:

- Certain financial assets and liabilities which are measured at fair value;
- Net defined benefit assets / liabilities are measured at fair value of plan assets, less present value of defined benefit obligations.

Principles of consolidation

Subsidiary

Subsidiary is entity (including structured entity) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in full while preparing these consolidated financial statements.

Interest in the subsidiary

The following subsidiaries have been considered for the purpose of preparation of the consolidated financial statements:

Name of the subsidiary	Country of Incorporation	Percentage holding/ interest (%) As at 31 March	
		2023	**2022**
Neuland Laboratories Inc.	United States of America	**100**	100
Neuland Laboratories K.K	Japan	**100**	100

Principal activity of the subsidiary is providing marketing support services to Neuland Laboratories Limited (Parent Company).

(i) Use of estimates and judgements

The preparation of consolidated financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the consolidated

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian ₹ in lakhs, except for share data and where otherwise stated)

financial statements in the period in which changes are made and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes:

- Note (c), (e), (f) and (g) - Useful lives of property, plant and equipment, investment properties, goodwill and other intangible assets;
- Note (h) - Impairment;
- Note (i) - Financial instruments;
- Note (n) - Employee benefits;
- Note (r) - Provisions, contingent liabilities and contingent assets; and
- Note (p) - Income taxes

(ii) Summary of significant accounting policies

The consolidated financial statements have been prepared using the accounting policies and measurement basis summarized below:

a. Functional currency

The consolidated financial statements are presented in Indian Rupee ('INR' or '₹') which is also the functional and presentation currency of the group. All financial information presented in Indian rupees has been rounded to the nearest lakhs, unless otherwise stated.

b. Current and non-current classification

All the assets and liabilities have been classified as current or non-current as per the group's normal operating cycle and other criteria set out in the Division II – Ind AS Schedule III to the Act.

The group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is classified as current when it is:

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

A liability is classified as 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

Current assets / liabilities include the current portion of non-current assets / liabilities respectively. All other assets / liabilities including deferred tax assets and liabilities are classified as non-current.

c. Property, plant and equipment (PPE)

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, taxes (other than those subsequently recoverable from tax authorities), borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent costs are included in asset's carrying amount or recognised as separate assets, as appropriate, only when it is probable that future economic benefit associated with the item will flow to the group and the cost of item can be measured reliably. If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.

An item of property, plant and equipment and any significant part initially recognised is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian ₹ in lakhs, except for share data and where otherwise stated)

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances. Capital work- in- progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

Depreciation on property, plant and equipment is calculated on pro-rata basis on straight-line method using the useful lives of the assets estimated by management. The useful life is as follows:

Asset	Useful Life (in years)
Buildings	25 & 30
Plant and equipment	7 to 20
Office equipment	2 to 5
Furniture and fixtures	2 to 10
Vehicles	4 & 8
Computers	3 & 6

Depreciation on additions / disposals is provided on a pro-rata basis i.e. from / upto the date on which asset is ready for use / disposed-off.

The useful lives are based on historical experience with similar assets as well as anticipation of future events. The residual values are not more than 5% of the original cost of the assets. The residual values, useful lives and method of depreciation are reviewed at each financial year-end and adjusted prospectively, if appropriate.

d. Leases

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

Group as a lessee

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component and the aggregate standalone price of the non-lease components.

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

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate. For leases with reasonably similar characteristics, the Group, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Group recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and the statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian ₹ in lakhs, except for share data and where otherwise stated)

amount of the re-measurement in the statement of profit and loss.

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

Group as a lessor

At the inception of the lease the Group classifies each of its leases as either an operating lease or a finance lease. The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Group is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

e. Investment properties

Property that is held for long term rental yields or for capital appreciation or for both, and that is not occupied by the group, is classified as investment property. Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. When the use of a property changes from owner occupied to investment property, the property is reclassified as investment property at it's carrying amount on the date of reclassification.

The useful life of investment property is estimated at 60yrs based on technical evaluation performed by management's expert.

f. Goodwill

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred over the fair value of net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in other comprehensive income and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognizes the gain directly in equity as capital reserve, without routing the same through other comprehensive income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses, if any. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in the statement of profit and loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian ₹ in lakhs, except for share data and where otherwise stated)

g. Other intangible assets

Other intangible assets are stated at cost of acquisition less accumulated amortization and impairment loss, if any. These are derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Gains or losses arising from disposal of the intangible assets are 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 assets are disposed off.

Intangible assets are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The other intangible assets comprise of computer software expenditure and are amortized over a period of three years. The amortization period and the amortization method for an intangible asset is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate and are treated as changes in accounting estimates.

h. Impairment

Impairment of non-financial assets

The carrying amounts of the group's tangible and intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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 or the cash-generating unit for which the estimates of future cash flows have not been adjusted. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets.

An impairment loss is recognised in the statement of profit and loss if the estimated recoverable amount of an asset or its cash generating unit is lower than its carrying amount. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been previously recognised.

Impairment of financial assets

In accordance with Ind AS 109, the group applies expected credit loss ("ECL") model for measurement and recognition of impairment loss on financial assets measured at amortised cost.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime expected credit losses. For all other financial assets, ECL are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

Loss allowance for financial assets measured at amortised cost are deducted from gross carrying amount of the assets.

i. Financial instruments

Initial recognition and measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value and, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- fair value through other comprehensive income ("FVTOCI") – debt investment;

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian ₹ in lakhs, except for share data and where otherwise stated)

- FVTOCI – equity investment; or
- FVTPL

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the group changes its business model for managing financial assets.

Amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in Other Income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss.

FVTOCI – debt investment

A debt investment is measured at FVTOCI if it meets both of the following conditions and is not designated as at FVTPL:

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

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the group recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method

Equity investment

On initial recognition of an equity investment that is not held for trading, the group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVTOCI – equity investment). This election is made on an investment by- investment basis.

If the group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, including foreign exchange gain or loss and excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the group may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss.

FVTPL

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVTOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the statement of profit and loss. Any gain or loss on derecognition is also recognised in the statement of profit and loss.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian ₹ in lakhs, except for share data and where otherwise stated)

De-recognition

Financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the group has transferred its rights to receive cash flows from the asset.

Financial liabilities

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

Offsetting of financial instruments

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

Derivative financial instruments and hedge accounting

The group uses derivative financial instruments such as forward exchange contracts and interest rate risk exposures to hedge its risk associated with foreign currency fluctuations and changes in interest rates. Derivatives are initially measured at fair value and subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the statement of profit and loss, since the group's hedging instruments did not qualify for hedge accounting in accordance with the Ind AS 39. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, cash at banks, deposit held at call with financial institutions, other short - term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Other income - Dividend income

Dividend income is recognised when the group's right to receive the payment is established, which is generally, when shareholders approve the dividend.

j. Inventories

Basis of valuation:

Inventories consist of raw materials, stores and spares, work-in-progress and finished goods are measured at the lower of cost and net realisable value. The cost of all categories of inventories is based on the weighted average method. Cost includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of finished goods and work-in-progress, cost includes an appropriate share of overheads based on normal operating capacity. Stores and spares, that do not qualify to be recognised as property, plant and equipment, consists of engineering spares (such as machinery spare parts) and consumables or consumed as indirect materials in the manufacturing process.

Method of Valuation:

The cost of raw materials, stores and consumables has been determined by using weighted average cost method and comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventories to their present location and condition.

The cost of finished goods and work-in-progress includes direct labour and an appropriate share of fixed and variable production overheads and excise duty as applicable. Fixed production overheads are allocated on the basis of normal capacity of production facilities. Cost is determined on weighted average basis.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian ₹ in lakhs, except for share data and where otherwise stated)

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

k. Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Group at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting period are translated into the functional currency at the exchange rate at that date. Non-monetary items denominated in foreign currencies which are carried at historical cost are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or any other similar valuation denominated in a foreign currency are reported using the exchange rates at the date when the fair value was measured.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognized in the statement of profit and loss in the year in which they arise.

l. Revenue recognition

Revenue from contract with customers

The group derives revenues primarily from sale of active pharmaceutical ingredients and contract research services. Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the group expects to receive in exchange for those products or services.

The group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

i. the customer simultaneously receives and consumes the benefits provided by the group's performance as the group performs; or

ii. the group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

iii. the group's performance does not create an asset with an alternative use to the group and an entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Revenue in excess of invoicing are classified as contract asset while collections in excess of revenues are classified as contract liabilities.

In respect of contracts involving bill-and-hold arrangements, the group determines whether the control of the underlying products have been transferred to the customer. For the purpose of determining whether such control is transferred, the entity considers the following requirements as required by Ind AS 115:

i. The reason for the bill-and-hold arrangement is substantive (i.e. the physical possession with the entity is pursuant to the customer's explicit request);

ii. The product is separately identified as belonging to the customer;

iii. The product is ready for physical transfer to the customer; and

iv. The entity does not have the ability to use the product or to direct it to another customer.

The entity recognizes revenue in respect of bill-and-hold arrangements only when all of the aforementioned requirements are met. Further, at the time of such recognition, the entity also determines whether there are any material unsatisfied performance obligations and determines the portion of the aggregate consideration, if any, that needs to be allocated and deferred.

The group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

Other operating revenue - Export incentives

Export Incentives under various schemes are recognised in the year of export in accordance with their respective underlying scheme at fair value of consideration received or receivable.

Other income - Interest income

Interest income is recognized on time proportion basis taking into account the amount outstanding and

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian ₹ in lakhs, except for share data and where otherwise stated)

rate applicable. For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example: prepayment, extension, call and similar options) but does not consider the expected credit losses.

Other income - Dividend income

Dividend income is recognised when the group's right to receive the payment is established, which is generally, when shareholders approve the dividend.

m. Borrowing costs

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

n. Retirement and other employee benefits

Defined contribution plan

The group's contributions to defined contribution plans are recognised as an expense as and when the services are received from the employees entitling them to the contributions.

Defined benefit plan

The liability in respect of defined benefit plans is calculated using the projected unit credit method with actuarial valuations being carried out at the end of each annual reporting period. The group recognises the net obligation of a defined benefit plan as a liability in its balance sheet. Gains or losses through re-measurement of the net defined benefit liability are recognised in other comprehensive income and are not reclassified to the statement of profit and loss in the subsequent periods. The effect of any plan amendments are recognised in the statement of profit and loss.

o. Government grants

The group recognises government grants only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. Government grants received in relation to assets are presented as a reduction to the carrying amount of the related asset. Grants related to reimbursement of expenses incurred are recognized in the statetment of profit and loss as other income.

p. Taxes

Tax expense recognized in the statement of profit and loss consists of current and deferred tax except to the extent that it relates to items recognised in OCI or directly in equity, in which case it is recognised in OCI or directly in equity respectively.

Current income tax, assets and liabilities are measured at the amount expected to be paid to or recovered from the taxation authorities in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards (ICDS) enacted in India by using tax rates and the tax laws that are enacted at the reporting date. Current tax assets and tax liabilities are offset where the group has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period. Deferred tax assets and liabilities are offset if there is a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the group.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian ₹ in lakhs, except for share data and where otherwise stated)

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Withholding tax arising out of payment of dividends to shareholders under the Indian Income tax regulations is not considered as tax expense for the group and all such taxes are recognised in the statement of changes in equity as part of the associated dividend payment.

q. Research and development expense

Expenditure on research activities undertaken with the prospect of gaining new scientific or technical knowledge and understanding is recognized as expense when incurred. Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalized only if:

- The product or the process is technically and commercially feasible;
- Future economic benefits are probable and ascertainable;
- The group intends to and has sufficient resources, technical and financial, to complete development of the product and has the ability to use or sell the asset; and
- Development costs can be measured reliably.

Where the aforementioned criteria are not met, the expenditure is transferred to the statement of profit and loss.

r. Provisions, contingent liabilities and contingent assets

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the group; or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognized nor disclosed. However, when realization of income is virtually certain, related asset is recognized.

s. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential ordinary shares.

(iii) Standards (including amendments) issued but not yet effective

The Ministry of Corporate Affairs ("MCA") has notified Companies (Indian Accounting Standard) Amendment Rules, 2023 dated March 31, 2023 to amend certain Ind ASs which are effective from April 01, 2023:

Below is a summary of such amendments:

a. Disclosure of Accounting Policies - Amendment to Ind AS 1 Presentation of financial statements

The MCA issued amendments to Ind AS 1, providing guidance to help entities meet the accounting policy disclosure requirements. The amendments aim to make accounting policy disclosures more informative by replacing the requirement to disclose 'significant accounting policies' with 'material accounting policy information'. The amendments also provide guidance under what circumstance, the accounting policy information is likely to be considered material and therefore requiring disclosure.

The amendments are effective for annual reporting periods beginning on or after April 01, 2023. The Group is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian ₹ in lakhs, except for share data and where otherwise stated)

b. Definition of Accounting Estimates – Amendments to Ind AS 8 Accounting policies, changes in accounting estimates and errors

The amendment to Ind AS 8, which added the definition of accounting estimates, clarifies that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from the correction of prior period errors. These amendments clarify how entities make the distinction between changes in accounting estimate, changes in accounting policy and prior period errors. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

The amendments are effective for annual reporting periods beginning on or after April 01, 2023. The amendments are not expected to have a material impact on the Group's financial statements.

c. Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to Ind AS 12 Income taxes

The amendment to Ind AS 12, requires entities to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities.

The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate. Ind AS 12 did not previously address how to account for the tax effects of on balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments.

The Group is currently assessing the impact of the amendments.

d. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

(iv) Standards that became effective during the year

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23, 2022 to amend the following Ind AS which are effective from April 01,2022:

a. Onerous Contracts - Cost of Fulfilling a Contract - Amendments to Ind AS 37

Ind AS 37 defines an onerous contract as a contract in which the unavoidable costs (costs that the group has committed to pursuant to the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

The amendments to Ind AS 37 clarify, that the costs relating directly to the contract consist of both:

- The incremental costs of fulfilling that contract- e.g. direct labour and material; and
- An allocation of other costs that relate directly to fulfilling contracts: e.g. Allocation of depreciation charge on property, plant and equipment used in fulfilling the contract.

These amendments had no impact on the financial statements of the group as there were no such Onerous Contracts.

b. References to the Conceptual Framework - Amendments to Ind AS 103

The amendments update a reference to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations. The amendment also add a new exception in Ind AS 103 for liabilities and contingent liabilities.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian ₹ in lakhs, except for share data and where otherwise stated)

c. Property, Plant and Equipment: Proceeds Before Intended Use- Amendment to Ind AS 16

The amendment to Ind AS 16 clarifies that any excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the statement of profit and loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

These amendments had no impact on the year-end financial statements of the group as there were no sales of such items.

d. Ind AS 101: First Time Adoption of Indian Accounting Standards- Subsidiary as a first time adopter

The amendment provides that a subsidiary that uses the exemption in paragraph D16(a) of Ind AS 101 may elect, in its financial statements, to measure cumulative translation differences for all foreign operations in its financial statements using the amounts reported by the parent, based on the parent's date of transition to Ind AS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This election is also available to an associate or joint venture that uses exemption in paragraph D16(a) of Ind AS 101.

These amendments had no impact on the financial statements of the group as it is not a first-time adopter.

e. Ind AS 109 Financial Instruments - Fees in the '10 per cent' test for derecognition of financial liability

The amendment clarifies which fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.

These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

These amendments had no impact on the financial statements of the group as there were no such financial instruments entered during the year.

f. Taxation in fair value measurements – Amendments to Ind AS 41

The amendment removes the requirement in Ind AS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in Ind AS 41 with the requirements of Ind AS 113, Fair Value Measurement.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian ₹ in lakhs, except for share data and where otherwise stated)

3(a) Property, plant and equipment

	Freehold land	Buildings	Plant and equipment	Office equipment	Furniture and fixtures	Vehicles	Computers	Total
Gross carrying value (at deemed cost)								
Balance as at 1 April 2021	**1,074.28**	**13,748.61**	**35,579.01**	**79.14**	**220.82**	**858.84**	**799.45**	**52,360.15**
Additions for the year	-	3,572.81	5,781.40	168.46	168.53	284.89	193.00	10,169.09
Disposals/retirement	-	(104.04)	(516.91)	(28.84)	(2.81)	(139.94)	(72.46)	(865.00)
Balance as at 31 March 2022	**1,074.28**	**17,217.38**	**40,843.50**	**218.76**	**386.54**	**1,003.79**	**919.99**	**61,664.24**
Additions for the year	-	980.45	2,685.84	15.36	54.56	444.04	307.90	4,488.15
Disposals/retirement	-	-	(327.96)	-	-	(203.97)	-	(531.93)
Balance as at 31 March 2023	**1,074.28**	**18,197.83**	**43,201.38**	**234.12**	**441.10**	**1,243.86**	**1,227.89**	**65,620.46**
Accumulated depreciation								
Balance as at 1 April 2021	**-**	**1,724.37**	**9,554.68**	**36.49**	**65.36**	**396.60**	**409.20**	**12,186.70**
Charge for the year	-	638.81	3,408.19	34.72	32.45	160.05	130.80	4,405.02
Adjustments for disposals/retirement	-	(10.51)	(435.01)	(26.87)	(2.63)	(96.73)	(67.96)	(639.71)
Balance as at 31 March 2022	**-**	**2,352.67**	**12,527.86**	**44.34**	**95.18**	**459.92**	**472.04**	**15,952.01**
Charge for the year	-	748.04	3,611.37	43.79	40.67	232.12	154.41	4,830.40
Adjustments for disposals/retirement	-	-	(204.47)	-	-	(91.25)	-	(295.72)
Balance as at 31 March 2023	**-**	**3,100.71**	**15,934.76**	**88.13**	**135.85**	**600.79**	**626.45**	**20,486.69**
Net carrying value as at 31 March 2022	**1,074.28**	**14,864.71**	**28,315.64**	**174.42**	**291.36**	**543.87**	**447.95**	**45,712.23**
Net carrying value as at 31 March 2023	**1,074.28**	**15,097.12**	**27,266.62**	**145.99**	**305.25**	**643.07**	**601.44**	**45,133.77**

Note:

1. *Free hold land includes land aggregating to ₹3.30, are held in the name of erstwhile Neuland Health Sciences Private Limited, which was merged with the Company. Further, the title of the land is under dispute as disclosed in note: 41(d).*
2. *Refer note 14 for details of property, plant and equipment subject to charge on secured borrowings*
3. *Depreciation and amortisation expenses as per Statement of Profit & Loss includes depreciation of ₹290.23 on Right-of-use assets and ₹31.54 on Investment Property.*

Relevant line in the Balance Sheet	Description of item of property	Gross carrying amount	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter /director or employee of promoter/director	Property held since which date	Reason for not being held in the name of the Company
Property, plant and equipment	Freehold land	3.3	Neuland Health Sciences Private Limited (NHSPL)	No	30th May 2005*	NHSPL got merged with Neuland Laboratories Limited; the title deed is pending to be transferred in the name of the Company because of dispute referred in Note 41 (d)

** The property was held by NHSPL since 30th May 2005 and became part of the Company's Property, plant and equipment subsequent to the merger.*

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian ₹ in lakhs, except for share data and where otherwise stated)

3(b) Capital Work-in-Progress (CWIP)

(i) For movement of Capital work-in-progress

CWIP	As at 1 April 2022	Expenditure during the year	Capitalized during the year	Impairment/ Written off	Closing as at 31 March 2023
Amount	2,045.71	6,542.63	(4,531.76)	-	4,056.58
CWIP	**As at 1 April 2021**	**Expenditure during the year**	**Capitalized during the year**	**Impairment/ Written off**	**Closing as at 31 March 2022**
Amount	1,725.02	10,500.14	(10,179.45)	-	2,045.71

(ii) For Capital work-in-progress ageing schedule

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2023					
Projects in progress	3,171.44	885.14	-	-	4,056.58
As at 31 March 2022					
Projects in progress	1,972.45	73.26	-	-	2,045.71

(iii) In case of the following projects (CWIP), where completion is overdue compared to its original plan:

As at 31 March, 2023

CWIP	To be completed in				Total
	Less than1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
Environment, Health & Safety	140.97	2,255.30	-	-	2,396.27
Manufacturing capacities and infrastruture	598.60	12.34	-	-	610.94
R&D labs and infrastructure	104.77	2.14	-	-	106.91
Quality Control lab modification	182.65	-	-	-	182.65
IT and Admin related projects	169.70	9.17	-	-	178.87
Total	**1,196.69**	**2,278.95**	**-**	**-**	**3,475.64**
As at 31 March 2022	**1,501.20**	**17.62**	**-**	**-**	**1,518.82**

4 Other intangible assets

	Computer Software
Gross carrying value (at deemed cost)	
As at 1 April 2021	**806.21**
Additions for the year	10.36
Balance as at 31 March 2022	**816.57**
Additions for the year	43.61
Balance as at 31 March 2023	**860.18**
Accumulated amortization	
As at 1 April 2021	**456.46**
Charge for the year	148.09
Balance as at 31 March 2022	**604.55**
Charge for the year	125.56
Balance as at 31 March 2023	**730.11**
Net carrying value as at 31 March 2022	**212.02**
Net carrying value as at 31 March 2023	**130.07**

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian ₹ in lakhs, except for share data and where otherwise stated)

5. Investments

	As at 31 March 2023	As at 31 March 2022
Non-current		
Investments in unquoted equity shares (fully paid up, unless stated otherwise)		
In others (carried at fair value through profit and loss)		
2,200 (31 March 2022: 2,200)equity shares of ₹100 each in Jeedimetla Effluent Treatment Limited	**2.20**	2.20
209,136 (31 March 2022: 209,136) equity shares of ₹10 each in Patancheru Enviro Tech Limited	**20.91**	20.91
	23.11	**23.11**
Investments in unquoted government securities (carried at fair value through profit and loss)	**1.61**	**1.61**
Investment in quoted mutual funds (carried at fair value through other comprehensive income)		
100,000 (31 March 2022: 100,000) units of ₹10 each in SBI Mutual Fund	**27.77**	25.02
Total non-current investments	**52.49**	**49.74**
Aggregate value of unquoted investments	**24.72**	24.72
Aggregate value of quoted investments	**27.77**	25.02
Change in fair value of the investments during the year	**2.75**	5.75
Aggregate amount of impairment in value of investments	-	-
Current		
Investment in unquoted equity shares (fully paid up, unless stated otherwise)		
In others (carried at fair value through other comprehensive income)		
402,000 (31 March 2022: 402,000) equity shares of ₹10 each in Andhra Pradesh Gas Power Corporation Limited	**-**	**337.68**
Note:		
Aggregate value of unquoted investments	-	337.68
Aggregate value of quoted investments	-	-
Total amount of impairment during the year	**(337.68)**	(307.89)
Aggregate amount of impairment in the value of investments	**750.00**	412.32

6. Other financial assets

	As at 31 March 2023	As at 31 March 2022
(Unsecured, considered good)		
Non-current		
Security deposits	**772.52**	586.24
	772.52	**586.24**
Current		
Interest accrued on bank deposits	**9.02**	7.28
Unbilled revenue	**693.86**	363.70
Derivative instruments at fair value through profit or loss	-	58.65
	702.88	**429.63**

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian ₹ in lakhs, except for share data and where otherwise stated)

7. Other assets

	As at 31 March 2023	As at 31 March 2022
(Unsecured, considered good)		
Non-current		
Capital advances	**182.72**	121.82
Balances with government authorities	**213.97**	215.20
	396.69	**337.02**
Current		
Prepaid expenses	**1,053.82**	741.62
Advance to suppliers	**1,528.00**	1,499.27
Balances with government authorities	**2,235.67**	2,516.45
Export benefits receivable	**306.97**	344.35
Other advances	**251.51**	220.65
	5,375.97	**5,322.34**

8. Inventories (at lower of cost or net realisable value)

	As at 31 March 2023	As at 31 March 2022
Raw materials [including goods in transit of ₹2,911.82 (31 March 2022: ₹2,153.43)]	**8,095.22**	7,764.88
Work-in-progress	**11,788.88**	11,940.95
Finished goods	**6,369.51**	5,266.74
Stores and consumables	**1,669.73**	1,548.44
	27,923.34	**26,521.01**

9. Trade receivables

	As at 31 March 2023	As at 31 March 2022
Trade receivables which are unsecured and considered good	**36,176.80**	23,432.64
Trade receivables which have significant increase in credit risk	**352.57**	420.56
	36,529.37	**23,853.20**
Less: Allowance for bad and doubtful receivables	**(352.57)**	(420.56)
	36,176.80	**23,432.64**

Note:

1. *No trade receivables are due from any related parties including directors or other officers of the Company either severally or jointly with any other person.*

2. *Refer note 32 for the Company's credit risk management process.*

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian ₹ in lakhs, except for share data and where otherwise stated)

31 March 2023

Particulars	Not Due	Outstanding for following periods from due date of Receipts					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	28,810.09	7,349.07	7.39	10.25	-	-	36,176.80
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	228.68	123.89	-	-	352.57
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Less: Allowance for bad and doubtful debts (Disputed + Undisputed)	-	-	228.68	123.89	-	-	352.57
	28,810.09	**7,349.07**	**7.39**	**10.25**	**-**	**-**	**36,176.80**

31 March 2022

Particulars	Not Due	Outstanding for following periods from due date of Receipts					
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	18,620.71	4,762.66	30.37	18.90	-	-	23,432.64
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	37.73	19.26	2.63	125.84	59.48	175.62	420.56
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
Less: Allowance for bad and doubtful debts (Disputed + Undisputed)	37.73	19.26	2.63	125.84	59.48	175.62	420.56
	18,620.71	**4,762.66**	**30.37**	**18.90**	**-**	**-**	**23,432.64**

Movement in the allowance for bad and doubtful debts is as follows:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Balance at the beginning of the year	420.56	337.31
Allowance for bad and doubtful debts (net)	452.60	83.25
Bad debts written off during the year	(520.59)	-
Balance at the end of the year	**352.57**	**420.56**

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian ₹ in lakhs, except for share data and where otherwise stated)

10. Cash and cash equivalents

	As at 31 March 2023	As at 31 March 2022
Balance with banks:		
in current accounts	1,190.41	224.81
in deposits with maturity of less than 3 months	2,501.00	-
in cash credit accounts	848.17	282.23
Cash on hand	2.01	2.10
	4,541.59	**509.14**

11. Bank balances other than cash and cash equivalents

	As at 31 March 2023	As at 31 March 2022
Unpaid dividend account	11.62	9.62
Deposits with maturity of more than 3 months but less than 12 months*	1,357.21	1,517.19
	1,368.83	**1,526.81**

** Includes deposits amounting to ₹1,357.21 (31 March 2022: ₹1,517.19) held as margin money/commitment with the banks.*

12. Equity share capital

	As at 31 March 2023		As at 31 March 2022	
	Number	Holding	Number	Holding
Authorized share capital				
Equity shares of ₹10 each	44,000,000	4,400.00	44,000,000	4,400.00
Issued share capital				
Equity shares of ₹10 each, fully paid-up	13,023,434	1,302.34	13,023,434	1,302.34
Subscribed share capital				
Equity shares of ₹10 each, fully paid-up	12,933,165	1,293.32	12,933,165	1,293.32
Fully paid-up share capital				
Equity shares of ₹10 each	12,829,889	1,282.99	12,829,889	1,282.99
Add: Forfeited equity shares of ₹10 each	103,276	7.06	103,276	7.06
Total		**1,290.05**		**1,290.05**

i. Reconciliation of number of equity shares outstanding at the beginning and at the end of the year

	As at 31 March 2023		As at 31 March 2022	
	Number	Amount	Number	Amount
Equity shares				
Balance at the beginning of the year	12,829,889	1,282.99	12,829,889	1,282.99
Add: Issued during the year	-	-	-	-
Balance at the end of the year	**12,829,889**	**1,282.99**	**12,829,889**	**1,282.99**

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian ₹ in lakhs, except for share data and where otherwise stated)

ii. Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share.

The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to prior consent from consortium and approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts in proportion of their shareholding.

iii. Details of shareholders holding more than 5% equity shares in the Company

Name of the equity shareholders	As at 31 March 2023		As at 31 March 2022	
	Number	Holding	Number	Holding
Dr. Davuluri Rama Mohan Rao	**3,203,474**	**24.97%**	3,203,474	24.97%
Malabar India Fund Limited	**1,277,096**	**9.95%**	1,277,096	9.95%

iv. Details of Shares held by Promoters at the end of the year

S. No	Promoter name	31 March 2023			31 March 2022		
		No. of Shares	% of total shares	% Change during the year	No. of Shares	% of total shares	% Change during the year
1	Davuluri Rama Mohan Rao	**3,203,474**	**24.97**	-	3,203,474	24.97	-
2	Davuluri Vijaya Rao ^	**613,338**	**4.78**	-	613,338	4.78	-
3	Davuluri Sucheth Rao	**337,542**	**2.63**	-	337,542	2.63	-
4	Davuluri Saharsh Rao	**253,587**	**1.98**	-	253,587	1.98	0.039
5	Davuluri Rohini Niveditha Rao^	**85,780**	**0.67**	-	85,780	0.67	-
6	Gannabathula Venkata Krishna Rama Rao	**41,717**	**0.33**	-	41,717	0.33	-
7	Gannabathula Veeravenkata Satyanarayanamurty ^	**27,351**	**0.21**	-	27,351	0.21	-
8	Gannabathula Uma Bala ^	**6,409**	**0.05**	-	6,409	0.05	-
9	Usha Rani Reddy Chevalla ^	**67,634**	**0.53**	**(0.129)**	77,634	0.61	-
10	Velugubanti S Prasadarao ^	**100**	**-**	-	100	-	-
11	Suryanarayana M Siram ^	**100**	**-**	-	100	-	-
	Total	**4,637,032**	**36.15**	**(0.129)**	**4,647,032**	**36.23**	**0.039**

^Part of Promoter Group

13. Other equity

	As at 31 March 2023	As at 31 March 2022
Reserves and surplus		
Capital reserve	**3.32**	3.32
Securities premium	**49,777.35**	49,777.35
General reserve	**2,789.65**	2,789.65
Revaluation reserve	**83.89**	83.89
Retained earnings	**46,523.47**	30,813.17
Total reserves and surplus	**99,177.68**	**83,467.38**

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian ₹ in lakhs, except for share data and where otherwise stated)

	As at 31 March 2023	As at 31 March 2022
Other comprehensive income		
Equity securities, net of taxes	**(693.16)**	(358.24)
Foreign currency translation reserve	**103.78**	63.12
Remeasurement of defined benefit plan, net of taxes	**(468.70)**	(412.23)
Total Other comprehensive income	**(1,058.08)**	**(707.35)**
	98,119.60	**82,760.03**

Nature and purpose of reserves

Capital reserve

Capital reserve was created on account of merger of Neuland Drugs & Pharmaceuticals Private Limited with the Company. The Company uses capital reserve for transactions in accordance with the provisions of the Act.

Securities premium

The amount received in excess of face value of the equity shares is recognised in securities premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and face value of share is accounted as securities premium. This reserve is utilised in accordance with the provisions of the Act.

General reserve

General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

Revaluation reserve

Revaluation reserve was created on account of revaluation of certain property, plant and equipment during the earlier years.

FVOCI equity instruments

The Company has elected to recognise the change in fair value of certain investments in other comprehensive income. These changes are accumulated within the FVOCI equity instruments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity instruments are derecognised.

Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit and loss when the net investment is disposed-off.

Remeasurement of defined benefit plan

The reserve represents the remeasurement gains/(losses) arising from the actuarial valuation of the defined benefit obligations of the Company. The remeasurement gains/(losses) are recognized in other comprehensive income and accumulated under this reserve within equity. The amounts recognized under this reserve are not reclassified to profit and loss.

14. Borrowings

	As at 31 March 2023	As at 31 March 2022
Non-current		
Secured		
Term loans		
From banks	**10,575.67**	13,452.30
Vehicle loans		
From banks	**39.16**	74.29
From other parties	**420.41**	346.55
	11,035.24	**13,873.14**
Less: Current maturities of long-term borrowings	**3,610.65**	3,448.35
	7,424.59	**10,424.79**

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian ₹ in lakhs, except for share data and where otherwise stated)

(a) Terms and conditions of loans and nature of security

Loan	Currency	Outstanding Amount as at 31/03/2023	Outstanding Amount as at 31/03/2022	Number of instalments	Repayment start date
Term Loan 1	INR	**1,764.72**	2,406.43	28/ Quarterly	March'19
Term Loan 2	INR	**982.14**	1,339.29	28/ Quarterly	April'19
Term Loan 3	USD	**1,605.33**	2,220.20	17/ Quarterly	January'21
Term Loan 4	INR	**2,441.05**	3,135.54	20/ Quarterly	Oct'21
Term Loan 5	USD	**3,782.43**	4,350.84	20/ Quarterly	June'22

(i) The above loans are secured by pari-passu first charge on property, plant and equipment (both present and future) and second charge (hypothecation) on the current assets of the Company. The term loans of 1 & 3 from banks are also secured by way of personal guarantees extended by Dr. Davuluri Rama Mohan Rao and Davuluri Sucheth Rao.

(ii) Vehicles loans outstanding to the tune of ₹459.57 (31 March 2022: ₹420.84) are secured by hypothecation of specific vehicles against which the loan was availed. These vehicle loans are repayable in instalments ranging from 35 to 59 months from the date of the loan.

(iii) All the above loans carry interest in the range of 1.8% to 9.6% per annum as at 31 March 2023(31 March 2022: 1.8% to 8.5% per annum).

(iv) Details of repayment of non-current borrowings

	As at 31 March 2023	As at 31 March 2022
Up to 1 year	**3,610.65**	3,448.35
From 1 to 3 years	**6,099.75**	6,827.10
3 years and above	**1,324.84**	3,597.69
	11,035.24	**13,873.14**
Current		
Current maturities of long-term borrowings	**3,610.65**	3,448.35
Secured loans from banks	**1,115.75**	9,221.47
	4,726.40	**12,669.82**

(i) Loans outstanding represent packing credit and working capital demand facility availed with various banks and carry interest linked to the respective bank's prime / base lending rate, and range from 0.70% to 8.9% per annum (31 March 2022: 0.70% to 8.5% per annum).

(ii) The above loans with all working capital lenders are secured by way of pari-passu first charge on all the current assets of the Company and pari-passu second charge on the Company's property, plant and equipment. All of the above working capital loans are also secured by way of personal guarantees extended by Dr. Davuluri Rama Mohan Rao and Davuluri Sucheth Rao in favour of the working capital lenders.

(iii) The quarterly returns submitted with banks are in agreement of the books of accounts.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian ₹ in lakhs, except for share data and where otherwise stated)

15. Provisions

	As at 31 March 2023	As at 31 March 2022
Non-current		
Gratuity (refer note (a))	**700.76**	869.23
Compensated absences	**328.33**	322.20
	1,029.09	**1,191.43**
Current		
Compensated absences	**152.66**	121.31
	152.66	**121.31**

(a) Gratuity

The Company has a defined benefit funded gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The Company has subscribed to a group gratuity scheme of Life Insurance Corporation of India (LIC) & Kotak Gratuity Group Plan. Under the said policy, the eligible employees are entitled for gratuity upon their resignation or in the event of death in lumpsum after deduction of necessary taxes up to a maximum limit of ₹20.

The following table set out the status of the gratuity plan and the reconciliation of opening and closing balances of the present value and defined benefit obligation.

		As at 31 March 2023	As at 31 March 2022
(i)	**Change in projected benefit obligation**		
	Projected benefit obligation at the beginning of the year	**1,728.24**	1,303.05
	Service cost	**137.29**	144.48
	Interest cost	**95.12**	81.22
	Actuarial (gain) / loss	**10.86**	368.81
	Benefits paid	**(162.11)**	(169.32)
	Projected benefit obligation at the end of the year	**1,809.40**	**1,728.24**
(ii)	**Change in plan assets**		
	Fair value of plan assets at the beginning of the year	**859.01**	616.95
	Value adjustment	**(64.62)**	(31.74)
	Expected return on plan assets	**55.59**	43.13
	Employer contributions	**360.00**	407.52
	Benefits paid	**(101.34)**	(176.85)
	Fair value of plan assets at the end of the year	**1,108.64**	**859.01**
(iii)	**Reconciliation of present value of obligation on the fair value of plan assets**		
	Present value of projected benefit obligation at the end of the year	**1,809.40**	1,728.24
	Funded status of the plans	**(1,108.64)**	(859.01)
	Net liability recognised in the balance sheet	**700.76**	**869.23**
(iv)	**Expense recognized in the statement of profit and loss**		
	Service cost	**137.29**	144.48
	Interest cost	**95.12**	81.22
	Expected returns on plan assets	**(55.59)**	(43.13)
	Net gratuity costs	**176.82**	**182.57**
(v)	**Expense recognised in OCI**		
	Recognized net actuarial (gain)/ loss	**75.46**	396.90
		75.46	**396.90**

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian ₹ in lakhs, except for share data and where otherwise stated)

		As at 31 March 2023	As at 31 March 2022
(vi)	**Key actuarial assumptions**		
	Financial assumptions		
	Discount rate	**7.34%**	6.33%
	Expected return on plan assets	**6.33%**	6.86%
	Withdrawal Rate	**Service Based: <5 years : 30% >= 5 years : 15%**	Service Based: <5 years : 30% >= 5 years : 15%
	Salary escalation rate	**7.00%**	7.00%
	Demographic assumptions		
	Mortality rate as per Indian Assured Lives Mortality 2012-14 table		
(vii)	**Sensitivity Analysis**		
	Projected defined benefit obligation	**1,809.40**	1,728.24
	Discount rate + 100 basis points	**1,698.53**	1,615.84
	Discount rate - 100 basis points	**1,834.20**	1,753.96
	Salary increase rate + 100 basis points	**1,832.63**	1,745.12
	Salary increase rate - 100 basis points	**1,696.80**	1,621.60
(viii)	**Maturity analysis of projected benefit obligation**		
	1 year	**379.82**	347.61
	2 to 5 years	**841.35**	762.06
	6 to 10 years	**404.24**	419.39
	More than 10 years	**138.22**	152.91

The significant actuarial assumptions for the determination of the defined benefit obligation are the discount rate and salary escalation rate. The calculation of the net defined benefit liability is sensitive to these assumptions. Sensitivity to these factors is disclosed above.

16. Deferred tax liabilities (net)

	As at 31 March 2023	As at 31 March 2022
Deferred tax liabilities arising on account of :		
Property, plant, equipment and goodwill	**7,082.05**	7,243.95
Others	**100.29**	98.72
Deferred tax assets arising on account of :		
Employee benefits	**(420.80)**	(528.78)
Allowance for bad and doubtful debts	**(88.73)**	(105.71)
Investment properties	**(842.92)**	(1,038.24)
Deferred tax liabilities (net)	**5,829.89**	**5,669.94**

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian ₹ in lakhs, except for share data and where otherwise stated)

17. Other liabilities

	As at 31 March 2023	As at 31 March 2022
Non-current		
Security deposit received	2.78	2.98
	2.78	**2.98**
Current		
Advance from customers	13,656.46	6,322.15
Statutory liabilities	355.87	362.31
	14,012.33	**6,684.46**

18. Trade payables

	As at 31 March 2023	As at 31 March 2022
Total outstanding dues of micro enterprises and small enterprises (MSME)	1,135.56	1,621.11
Total outstanding dues of creditors other than micro enterprises and small enterprises	15,964.95	10,117.21
	17,100.51	**11,738.32**

Note :

1. *Refer note 32 for the Company's liquidity risk management process*
2. *The Micro and Small Enterprises have been identified on the basis of information available with the Company. This has been relied upon by the auditors. Details of dues to such parties are given below:*

	As at 31 March 2023	As at 31 March 2022
The principal amount remaining unpaid as at the end of the year	1,135.56	1,621.11
The amount of interest accrued and remaining unpaid at the end of the year	111.46	1.61
The amount of interest paid by the Company in terms of Section 16, of (MSMED Act 2006) along with the amounts of payments made beyond the appointed date during the year.	-	-
The amount of interest due and payable for the period of delay in making payment without the interest specified under the (MSMED Act 2006)	-	-
The amount of further interest remaining due and payable in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under Section 23 of the (MSMED Act 2006)	-	-

31 March 2023

Particulars	Payables Not Due	Current				
		Outstanding for following periods from due date of Payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	1,135.56	-	-	-	-	1,135.56
(ii) Disputed dues – MSME	-	-	-	-	-	-
(iii) Others	6,772.72	8,447.12	453.77	69.13	222.21	15,964.95
(iv) Disputed dues - Others	-	-	-	-	-	-
	7,908.28	8,447.12	453.77	69.13	222.21	17,100.51

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian ₹ in lakhs, except for share data and where otherwise stated)

31 March 2022

Particulars	Payables Not Due	Current				
		Outstanding for following periods from due date of Payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	832.93	679.30	91.40	1.89	15.59	1,621.11
(ii) Disputed dues – MSME	-	-	-	-	-	-
(iii) Others	6,445.72	3,326.63	36.01	70.30	238.55	10,117.21
(iv) Disputed dues - Others	-	-	-	-	-	-
	7,278.65	4,005.93	127.41	72.19	254.14	11,738.32

19. Other financial liabilities

	As at 31 March 2023	As at 31 March 2022
Current		
Interest accrued but not due on borrowings	**24.58**	33.21
Unclaimed dividends	**11.62**	11.98
Creditors for capital goods	**787.36**	796.66
Employee related liabilities	**1,601.31**	835.06
Accrual for expenses	**4,129.51**	3,160.21
	6,554.38	**4,837.12**

20. Revenue from operations

	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue from contracts with customers		
Sale of products	**111,561.68**	88,738.27
Sale of services	**4,528.17**	3,595.14
Other operating revenue		
Sale of impurities	**176.80**	196.89
Sale of scrap	**1,312.60**	916.70
Export incentives	**1,540.55**	1,660.66
	119,119.80	**95,107.66**

Revenue disaggregation as per geography has been included in segment information (Refer note 38).

Performance Obligation:

Sale of products: Performance obligation in respect of sale of goods is satisfied when control of the goods is transferred to the customer, generally on delivery of the goods and payment is generally due as per the terms of contract with customers.

Sale of services: The performance obligation in respect of maintenance services is satisfied over a period of time and acceptance of the customer. In respect of these services, payment is generally due upon completion of maintenance period based on time elapsed and acceptance of the customer. In certain non-standard contracts, where the Company provides warranties in service of consumer durable goods, the same is accounted for as a separate performance obligation and a portion of the transaction price is allocated based on its relative standalone prices. The performance obligation for the warranty service is satisfied over a period of time based on time elapsed.

Remaining performance obligations

The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations in case of contracts for which revenues are recorded over a period of time is ₹1,475.36, which is expected to be fully recognised as revenue in the next year. No consideration from contracts with customers is excluded from the amount mentioned above and contract asset relating to partially satisfied performance obligations aggregates to ₹693.86 as at 31 March 2023 (31 March 2022: ₹363.70).

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian ₹ in lakhs, except for share data and where otherwise stated)

21. Other income

	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest income	155.63	99.50
Incentive under market access initiative scheme	28.77	59.92
Insurance & other claims	359.90	-
Unspent liabilities and unclaimed balances written back	378.48	-
Other non-operating income	52.04	48.26
	974.82	**207.68**

22. Cost of raw materials consumed

	For the year ended 31 March 2023	For the year ended 31 March 2022
Raw materials at the beginning of the year	7,764.88	7,857.31
Add: Purchases during the year*	49,103.92	43,662.93
Less: Raw materials at the end of the year	8,095.22	7,764.88
Total Cost of raw material consumed	**48,773.58**	**43,755.36**

**Disclosed based on derived figures, rather than actual records of issue.*

23. Changes in inventories of finished goods and work-in-progress

	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening stock		
- Finished goods	5,266.74	4,902.96
- Work-in-progress	11,940.95	10,763.26
	17,207.69	**15,666.22**
Closing stock		
- Finished goods	6,369.51	5,266.74
- Work-in-progress	11,788.88	11,940.95
	18,158.39	**17,207.69**
	(950.70)	**(1,541.47)**

24. Employee benefits expense

	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries, wages, bonus and other allowances	18,121.83	16,206.11
Contribution to provident and other funds (refer note below)	808.90	727.32
Gratuity expense	176.82	182.57
Compensated absences expense	126.86	224.32
Staff welfare expenses	944.14	906.91
	20,178.55	**18,247.23**

Note: *During the year ended 31 March 2023, the Company contributed ₹748.49 (31 March 2022: ₹667.00) to provident fund and ₹18.14 (31 March 2022: ₹22.97) towards employee state insurance fund*

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian ₹ in lakhs, except for share data and where otherwise stated)

25. Finance costs

	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest expense on borrowings	**747.37**	873.24
Interest expense on lease liabilities	**81.23**	80.11
Other finance and borrowing costs	**478.11**	396.16
	1,306.71	**1,349.51**

26. Depreciation and amortisation expense

	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation on property, plant and equipment	**4,830.41**	4,405.02
Depreciation on right-of-assets	**290.23**	324.68
Depreciation on investment property	**31.54**	26.23
Amortisation of intangible assets	**125.56**	148.09
	5,277.74	**4,904.02**

27. Manufacturing expenses

	For the year ended 31 March 2023	For the year ended 31 March 2022
Consumption of stores and spare parts	**4,638.39**	4,731.96
Consumption of packing material	**424.18**	424.05
Power and fuel	**4,862.09**	4,220.75
Carriage inwards	**178.70**	148.02
Repairs and maintenance		
- Buildings	**386.69**	415.69
- Plant and equipment	**816.88**	932.04
- Others	**1,357.63**	1,276.14
Effluent treatment and testing charges	**891.09**	987.66
	13,555.65	**13,136.31**

28. Other expenses

	For the year ended 31 March 2023	For the year ended 31 March 2022
Rent	**83.81**	71.32
Corporate Social Responsibility ('CSR') expenditure (refer note i below)	**176.16**	116.84
Rates and taxes	**466.52**	948.99
Travelling and conveyance	**1,446.61**	926.47
Legal and professional fees	**2,455.37**	1,081.91
Remuneration to statutory auditors (refer note ii below)	**40.70**	40.20
Insurance	**493.07**	447.15
Advertisement and subscription expense	**895.17**	687.36
Sales promotion expenses including commission	**1,278.56**	886.04
Freight and forwarding charges	**784.20**	1,166.79
Provision for doubtful debts and advances, net	**466.98**	56.79

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian ₹ in lakhs, except for share data and where otherwise stated)

	For the year ended 31 March 2023	For the year ended 31 March 2022
Foreign exchange loss, net	**1,033.28**	10.22
Loss on sale of property, plant and equipment, net	**87.08**	180.81
Directors commission	**105.00**	35.00
Sitting fees	**30.80**	29.40
Miscellaneous expenses	**535.14**	562.84
	10,378.45	**7,248.13**

(i) Details of CSR expenditure :

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The Company has a CSR committee as per the Act. The funds were primarily utilized through the year on skill building, covid support activities etc pursuant to Schedule VII of the Companies Act, 2013. Total expenditure incurred on Corporate Social Responsibility (CSR) activities during the year ended March 31, 2023 is ₹176.16 (March 31, 2022 is ₹116.84). The Company has availed a set-off of ₹12.06 out of excess amount of ₹17.10 spent during the financial year ended March 31, 2021 and considering the same, the cumulative spend for the financial year ended March 31, 2022 is considered at ₹128.90.

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
a) Amount required to be spent by the Company during the year	**175.60**	128.90
b) Amount of expenditure incurred on purpose other than construction/ acquisition of any asset	**176.16**	116.84
c) Excess spend of prior years set off during the year		12.06
d) Shortfall at the end of the year [(d)=(a)-(b)-(c)]	**(0.56)**	-

(ii) Details of payments to auditors :

	For the year ended 31 March 2023	For the year ended 31 March 2022
As auditor:		
- Statutory audit, limited review and tax audit	**40.00**	35.00
In other capacity:		
- Certifications	**0.50**	5.05
- Reimbursement of expenses	**0.20**	0.15
	40.70	**40.20**

29. Income tax

	For the year ended 31 March 2023	For the year ended 31 March 2022
Income tax expense recognised in the statement of profit and loss consists of the following:		
Current income tax	**5,043.94**	2,042.90
Deferred tax expense / (benefit)	**178.94**	(208.85)
Total tax expense for the year	**5,222.88**	**1,834.05**
Income tax expense recognised in Other Comprehensive Income :		
Income tax impact on re-measurement of defined benefit plans	**18.99**	99.89
Income tax charged to Other Comprehensive Income	**18.99**	**99.89**

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian ₹ in lakhs, except for share data and where otherwise stated)

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company at 25.17% (31 March 2022: 25.17%) and the reported tax expense in the statement of profit and loss is as follows:

Reconciliation of tax expense and the accounting profit multiplied by India's tax rate

	For the year ended 31 March 2023	For the year ended 31 March 2022
Profit before tax	**21,574.64**	8,216.25
Tax rate applicable to the Company	**25.17%**	25.17%
Estimated tax expense on profit^	**5,429.91**	2,067.80
Increase/(decrease) in tax expenses on account of:		
Previous year impact	**(277.39)**	(311.71)
Chapter VI A deduction	**(33.46)**	(20.39)
Impact of foreign taxes	**0.08**	2.83
Expenses disallowed	**93.85**	74.91
Others	**9.89**	20.61
Income tax expense	**5,222.88**	**1,834.05**

^ Estimated tax expenses includes tax on Capital Gains at rates different than the tax rate of 25.17%

30. Earnings per equity share (EPES)

Basic earnings /(loss) per share amounts are calculated by dividing the profit/loss for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted earnings /(loss) per share amounts are calculated by dividing the profit/loss attributable to equity holders (after adjusting for interest on the convertible preference shares) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

		For the year ended 31 March 2023	For the year ended 31 March 2022
(a)	Profit attributable to equity shareholders	**16,351.76**	6,382.20
(b)	**Computation of weighted average number of equity shares:**		
	Weighted average number of equity shares outstanding during the year	**12,829,889**	12,829,889
(c)	**EPES (in absolute ₹):**		
	Basic	**127.45**	49.74
	Diluted	**127.45**	49.74

31. Fair value measurements

(i) 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 markets for financial instruments.

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 either directly or indirectly.

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

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian ₹ in lakhs, except for share data and where otherwise stated)

(ii) Financial assets and financial liabilities measured at fair value

	As at 31 March 2023		As at 31 March 2022	
	Level 1	**Level 2**	**Level 1**	**Level 2**
Financial assets				
Investments	**27.77**	**24.72**	25.02	362.40
Derivatives - Forward contracts	-	-	58.65	-

(iii) Financial instruments by category

For amortised cost instruments, carrying value represents the best estimate of fair value.

	As at 31 March 2023			As at 31 March 2022		
	FVTPL	**FVOCI**	**Amortised cost**	**FVTPL**	**FVOCI**	**Amortised cost**
Financial assets						
Investments	**24.72**	**27.77**	-	24.72	362.70	-
Trade receivables	-	-	**36,176.80**	-	-	23,432.64
Cash and cash equivalents	-	-	**4,541.59**	-	-	509.14
Other bank balances	-	-	**1,368.83**	-	-	1,526.81
Other financial assets	-	-	**1,475.40**	-	-	1,015.87
Total financial assets	**24.72**	**27.77**	**43,562.62**	**24.72**	**362.70**	**26,484.46**

	As at 31 March 2023		As at 31 March 2022	
	FVTPL	**Amortised cost**	**FVTPL**	**Amortised cost**
Financial liabilities				
Borrowings	-	**12,150.99**	-	23,094.61
Lease liability	-	**693.98**	-	958.59
Trade payables	-	**17,100.51**	-	11,738.32
Other financial liabilities	-	**6,554.38**	-	4,837.12
Total financial liabilities	-	**36,499.86**	-	**40,628.64**

The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets comprise of loans, trade and other receivables, cash and cash equivalents and other bank balances derived directly from its operations. The Company also holds FVOCI investments and investment in its subsidiary.

(iv) The carrying amounts of trade receivables, trade payables and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature. Difference between carrying amounts and fair values of bank deposits, other financial assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the years presented. For all other amortised cost instruments, carrying value represents the best estimate of fair value. For financial assets measured at fair values, the carrying amounts are equal to the fair values.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian ₹ in lakhs, except for share data and where otherwise stated)

32. Financial instruments risk management

The Company is exposed to various financial risks arising from its operations and the use of financial instruments. The key financial risks include market risk, credit risk and liquidity risk. The Company's risk management policies are established to identify and analyse the risks faced by the Company and seek to, where appropriate, minimize potential impact of the risk and to control and monitor such risks. The Company's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Company does not engage in trading of financial assets for speculative purposes.

The following sections provide details regarding the Company's exposure to the financial risks associated with financial instruments held in the ordinary course of business and the objectives, policies and processes for management of these risks:

A. Market risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include borrowings, deposits, trade receivables and other financial instruments.

The sensitivity analyses in the following sections relate to the position as at 31 March 2023 and 31 March 2022. The analysis exclude the impact of movements in market variables on the carrying values of gratuity and other post retirement obligations; provisions; and non-financial assets and liabilities.

i. 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 changes in market interest rates. The Company has loan facilities on floating interest rate, which exposes the Company to risk of changes in interest rates. The management monitors the interest rate movement and manages the interest rate risk based on its policies, which include entering into interest rate swaps as considered necessary. The Company's investment in deposits with banks are for short durations and therefore do not expose the Company to significant interest rate risk. Below are the details of exposure to fixed rate and variable rate instruments:

Particulars	31 March 2023	31 March 2022
Fixed rate instruments		
Financial assets	**3,858.21**	1,517.19
Financial liabilities	**4,242.00**	4,771.68
Variable rate instruments		
Financial liabilities	**7,908.99**	18,322.93

Every 0.5% increase/decrease in the interest rate component applicable to the respective borrowings would effect the Company's net profit before tax resulting in an expense/income of ₹39.54 and ₹91.61 for the year ended 31 March 2023 and 31 March 2022 respectively.

ii. Foreign currency risk:

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's exposure to the risk of change in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in foreign currency) and financing activities (when borrowings are denominated in foreign currency). The foreign currencies in which these transactions are denominated are US Dollars, Euros, Japanese Yen, Great British Pound and Swiss Franc. The Company uses foreign exchange forward contracts to hedge its exposure in foreign currency risk.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian ₹ in lakhs, except for share data and where otherwise stated)

a) Significant foreign currency risk exposure relating to financial assets and financial liabilities expressed in ₹ terms are as follows:

Financial assets

Trade receivables	31 March 2023	31 March 2022
- USD	**28,767.83**	18,015.91
- EUR	**53.22**	34.85

Cash & cash equivalents	31 March 2023	31 March 2022
- USD	**1,077.07**	77.06

Financial liabilities

Trade payables	31 March 2023	31 March 2022
- USD	**3,057.18**	1,432.24
- EUR	**88.58**	8.43
- GBP	**21.12**	13.84
- CHF	**3.64**	0.65
- JPY	**0.33**	10.76

Borrowings	31 March 2023	31 March 2022
- USD	**5,387.36**	15,101.63

b) Derivative financial instruments

The following table gives details in respect of outstanding derivate contracts. The counterparty for these contracts are banks.

	Sell	31 March 2023	31 March 2022
Derivatives not designated as hedges			
Forward contract	USD (in lakhs)	-	US $157.05

c) Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in USD and Euro exchange rates, with all other variables held constant. The Company's exposure to foreign currency changes for all other currencies is not material.

Particulars	Impact on profit before tax for the year ended	
	31 March 2023	31 March 2022
USD sensitivity		
₹/USD - Increase by 5%	**1,070.02**	77.95
₹/USD - Decrease by 5%	**(1,070.02)**	(77.95)
EUR sensitivity		
₹/EUR - Increase by 5%	**(1.77)**	1.32
₹/EUR - Decrease by 5%	**1.77**	(1.32)

iii. Equity price risk:

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet as FVOCI/FVTPL. An increase/(decrease) in fair value of investments by 10% shall impact the Company's equity and total comprehensive income by ₹5.25 (31 March 2022: ₹38.70).

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian ₹ in lakhs, except for share data and where otherwise stated)

B. Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company, leading to a financial loss. The Company is mainly exposed to the risk of its balances with the bankers and trade and other receivables. None of the Company's cash equivalents, other bank balances, loans and security deposits were past due or impaired as at 31 March 2023 and 31 March 2022.

Ageing of trade receivables is as follows:

	As at 31 March 2023	As at 31 March 2022
Neither past due nor impaired	**28,810.09**	18,620.71
Past due not impaired:		
0-180 days	**7,349.07**	4,762.66
Greater than 180 days	**17.64**	49.27
	36,176.80	**23,432.64**

C. Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows.

Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows:

31 March 2023	Up to 1 year	From 1 to 3 years	More than 3 years	Total
Borrowings	**4,726.40**	**6,099.75**	**1,324.84**	**12,150.99**
Lease liabilities	**362.98**	**410.65**	-	**773.63**
Trade and other payables	**17,100.51**	-	-	**17,100.51**
Other financial liabilities	**6,554.38**	-	-	**6,554.38**
Total	**28,744.27**	**6,510.40**	**1,324.84**	**36,579.51**

31 March 2022	Up to 1 year	From 1 to 3 years	More than 3 years	Total
Borrowings	12,669.82	6,827.10	3,597.69	23,094.61
Lease liabilities	345.86	675.25	98.37	1,119.48
Trade and other payables	11,738.32	-	-	11,738.32
Other financial liabilities	4,837.12	-	-	4,837.12
Total	**29,591.12**	**7,502.35**	**3,696.06**	**40,789.53**

33. Capital risk management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for stakeholders and to maintain an optimal capital structure to reduce the cost of capital. Hence, the Company may adjust any dividend payments, return capital to shareholders or issue new shares or sell assets to reduce debt. Total capital is the equity as shown in the statement of financial position. Currently, the Company primarily monitors its capital structure on the basis of the following gearing ratio. Management is continuously evolving strategies to optimize the returns and reduce the risks. It includes plans to optimize the financial leverage of the Company.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian ₹ in lakhs, except for share data and where otherwise stated)

The capital for the reporting year under review is summarized as follows:

	As at 31 March 2023	As at 31 March 2022
Total borrowings	**12,150.99**	23,094.61
Less: Cash and cash equivalents (including bank deposits with original maturity between 3 to 12 months)	**(5,898.80)**	(2,026.33)
Net debt	**6,252.19**	21,068.28
Total equity	**99,409.65**	84,050.08
Net debt to equity ratio	**6.29%**	**25.07%**

34. Net debt reconciliation

Particulars	Current borrowings	Non-current borrowings	Cash and cash equivalents	Deposits	Net debt
As at 1 April 2021	**5,698.44**	**11,319.09**	**243.56**	**1,683.25**	**15,090.72**
Cash flows (net)	3,479.54	2,286.61	259.40	(166.06)	5,672.81
For-ex adjustment	43.49	267.44	6.18	-	304.75
Interest expenses, including interest capitalized	-	-	-	-	-
Interest paid	-	-	-	-	-
As at 31 March 2022	**9,221.47**	**13,873.14**	**509.14**	**1,517.19**	**21,068.28**
Cash flows (net)	(8,105.72)	(3,252.43)	3,991.76	(159.98)	(15,189.93)
For-ex adjustment		414.53	40.69	-	373.84
Interest expenses, including interest capitalized	-	-	-	-	-
Interest paid	-	-	-	-	-
As at 31 March 2023	**1,115.75**	**11,035.24**	**4,541.59**	**1,357.21**	**6,252.19**

35. Research and development expenses

Details of research and development expenses (excluding depreciation and amortisation expense) incurred during the year and included under various heads of expenditures are given below:

	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue Expenditure		
Salaries and wages	**1,980.76**	2,054.33
Consumption of raw materials and consumables	**537.41**	473.04
Power and fuel	**257.59**	244.93
	2,775.76	**2,772.30**
Capital Expenditure	**238.11**	**863.00**

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian ₹ in lakhs, except for share data and where otherwise stated)

36. Investment properties

Investment properties comprise of carrying value of land and building, representing the cost incurred towards development and construction activity at the said land situated at Nanakramguda, Hyderabad, duly allotted by Telangana State Industrial Infrastructure Corporation Limited ("TSIIC") (erstwhile Andhra Pradesh Industrial Infrastructure Corporation Limited).

Particulars	As at 31 March 2023	As at 31 March 2022
Gross block		
Opening balance	**1,992.07**	1,890.64
Addition	-	101.43
Transfer	-	-
Closing balance	**1,992.07**	**1,992.07**
Accumulated depreciation		
Opening	**26.23**	-
During the year	**31.54**	26.23
Disposal	-	-
Closing	**57.77**	**26.23**
Net Block	**1,934.30**	**1,965.84**
Fair Value	**11,390.21**	**11,424.84**

During the year, the Board of Directors of the Company approved transfer of the Company's property by way of perpetual lease to various parties, subject to receipt of requisite approvals. The transaction is yet to receive approval of regulatory authorities.

37. Goodwill

Pursuant to the Scheme of Amalgamation and Arrangement ("the Scheme") duly approved by the National Company Law Tribunal, Hyderabad Bench vide their order dated 21 March 2018, Neuland Health Sciences Private Limited ("NHSPL") and Neuland Pharma Research Private Limited ("NPRPL") (together referred to as "Transferor Companies"), were merged with the Company with appointed date of 1 April 2016. NHSPL is engaged in the business of conducting research and development of Peptides and NPRPL is in the business of contract research services.

The purchase consideration of ₹31,084.99 paid by way of issue of 2,270,635 equity shares of ₹10 each [in accordance with the Scheme, 4,590,608 equity shares of ₹10 each held by NHSPL in the Company stands cancelled and the Company shall issue 6,861,095 and 148 fully paid-up equity shares of ₹10 each to the shareholders of NHSPL and NPRPL respectively] at a premium of ₹1,359 per equity share.

Excess of consideration paid over net assets taken over aggregating to ₹27,946.10 is recognized as Goodwill.

Reconciliation of the carrying amount of goodwill:

	As at 31 March 2023	As at 31 March 2022
Opening balance	**27,946.10**	27,946.10
Add: Due to acquisition during the year	-	-
Less: Impairment/write off	-	-
Closing Balance	**27,946.10**	**27,946.10**

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian ₹ in lakhs, except for share data and where otherwise stated)

The recoverable amount of the above cash generating unit ("CGU") has been assessed using a value-in-use model. The recoverable value is computed based on the net present value of the projected post-tax cash flows plus a terminal value of the cash generating unit to which the goodwill is allocated. Initially a post-tax discount rate is applied to calculate the net present value of the post-tax cash flows. The cash flow projections include specific estimates for five years developed using internal forecasts and a terminal growth rate thereafter of 5%. The planning horizon reflects the assumptions for short-to-mid term market developments which are based on key assumptions such as margins, expected growth rates based on past experience, new product launches and management's expectations / extrapolation of normal increase / steady terminal growth rate. Discount rate reflects the current market assessment of the risks. The discount rate is estimated based on the weighted average cost of capital for the Company. Post-tax discount rates used were 14.69% for the year ended March 31, 2023. The management believes that any reasonable possible change in the key assumptions would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash- generating unit.

38. Segment reporting

The management has assessed the identification of reportable segments in accordance with the requirements of Ind AS 108 'Operating Segment' and believes that the Group has only one reportable segment namely "manufacture of active pharmaceutical ingredients and allied services".

Geography-wise details of the Group's revenues from external customers and its non-current assets (other than financial instruments, investments accounted for using the equity method, deferred tax assets and post-employment benefit assets) and revenue from major customers are given below:

(i) Analysis of Group's revenues (excluding other operating revenue) based on the location of the customers:

	For the year ended 31 March 2023	For the year ended 31 March 2022
India	**29,183.55**	23,912.33
Europe	**35,948.52**	26,815.38
North America	**36,466.91**	25,336.49
Rest of the world	**14,490.87**	16,269.21
	116,089.85	**92,333.41**

(ii) Analysis of Group's non-current assets based on the location of the assets:

	As at 31 March 2023	As at 31 March 2022
India	**81,062.03**	79,638.39
North America	-	(1.14)
Rest of the world	-	(3.64)
	81,062.03	**79,633.61**

(iii) **Major customer**

The Group has one customer group who contributed more than 10% of the Group's revenue (excluding other operating revenue) during the current year. The revenue from such major customer group during the year is ₹16,554 (31 March 2022: ₹23,729).

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian ₹ in lakhs, except for share data and where otherwise stated)

39. Related party disclosures

(a) Names of the related parties and nature of relationship

Particulars
Enterprise over which key management personnel exercise significant influence
Neuland Foundation
Key Management Personnel
Dr. D. R. Rao - Executive Chairman
Mr. D. Sucheth Rao - Vice Chairman and CEO
Mr. D. Saharsh Rao - Vice Chairman & MD
Dr. Christopher M. Cimarusti - Non-Executive Non-Independent Director
Mr. Humayun Dhanrajgir - Non-Executive Independent Director
Mr. Parampally Vasudeva Maiya - Non-Executive Independent Director
Mrs. Bharati Rao - Non-Executive Independent Director
Dr. Nirmala Murthy - Non-Executive Independent Director
Mr. Homi Rustam Khusrokhan - Non-Executive Independent Director
Mr. Prasad Raghava Menon - Non-Executive Independent Director
Mr. Deepak Gupta - Chief Financial Officer (Resigned w.e.f 13th October 2022)
Mr. Abhijit Majumdar - Chief Financial Officer (Appointed w.e.f 23rd November 2022)
Relatives of Key Management Personnel
Mrs. D. Vijaya Rao
Mrs. D. Rohini Niveditha Rao

(b) Transactions with related parties

	For the year ended 31 March 2023	For the year ended 31 March 2022
Transactions with KMP		
Managerial remuneration	**1,887.30**	1,093.14
Rent	**263.22**	250.69
Director's sitting fee	**30.80**	29.40
Commission	**105.00**	35.00
Professional fee	**14.03**	-
Transactions with relatives of KMP		
Rent	**83.16**	79.20

(c) Balances receivable/(payable)

		As at 31 March 2023	As at 31 March 2022
Key Management Personnel			
Mr. D. Sucheth Rao	Security deposit	**121.40**	121.40
Mr. D. Saharsh Rao	Security deposit	**121.40**	121.40
Dr. D. R. Rao	Remuneration Payable	**(375.00)**	(130.00)
Mr. D. Sucheth Rao	Remuneration Payable	**(337.50)**	(125.00)
Mr. D. Saharsh Rao	Remuneration Payable	**(337.50)**	(125.00)
Mr. D. Sucheth Rao	Rent Payable	**(1.88)**	-
Mr. D. Saharsh Rao	Rent Payable	**(1.88)**	-
Non Executive Directors	Sitting Fee/Commission/Professional Fee	**(105.26)**	(35.00)

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian ₹ in lakhs, except for share data and where otherwise stated)

		As at 31 March 2023	As at 31 March 2022
Relative of Key Management Personnel			
Mrs. D Vijaya Rao	Security deposit	**19.20**	19.20
Mrs. D Vijaya Rao	Rent Payable	**(6.31)**	(7.21)

Note:

Dr. D. R. Rao and D. Sucheth Rao have extended personal guarantees in connection with the working capital limits availed by the Company. (Refer note: 14)

40. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) amounts to ₹950.85 (31 March 2022: ₹1,831.45).

41. Contingent liabilities and pending litigations

	As at 31 March 2023	As at 31 March 2022
Disputed income tax liabilities		
Assessment year 2004-05 - refer note (a) below	**693.33**	693.33
Other income tax matters	**54.87**	55.20
GST/Customs		
Assessment year 2017-18 towards availment of transitional input tax credit (GST)	**47.95**	47.94
Assessment year 2017-18 towards Refund of un-utilised Education & Secondary Higher Education Cess & Krishi Kalyan Cess not transferred in TRAN_1	**64.38**	-
Non- fulfilment of export obligation (customs)	**46.25**	46.25
Other Disputes/Matters		
Public litigation against land parcel allotment by APIICL- refer note (b) below	**1,934.30**	1,965.84
CIGSR Order for land parcel at Bonthapally in survey no 490/2- refer note (c) below	**0.64**	0.64
CIGSR Order for land parcel at Bonthapally in survey no 490/1- refer note (d) below	**3.30**	3.30
Certain disputes, for unascertained amounts are pending in the Labor Courts, Telangana. Since, the chance of appellants succeeding in their claims is less than probable, the Company does not expects any liability in this respect.	**Not ascertainable**	Not ascertainable
Other Claims and Guarantees		
Letter of Credits, Bank Guarantees including performance bank guarantees issued by the banks on behalf of the Company	**6,276.13**	4,655.20

Note:

(a) *The Income tax authorities had re-opened the income tax assessment of the Company for the assessment year 2004-05 later than the periods permitted by the provisions of the Income Tax Act, 1961 and thereby demanded an additional tax amount of ₹693.33 on account of disallowance of certain prior period expenditure recognized by the Company in the computation of gross total income for the assessment year then ended. Aggrieved by the order of the Income Tax department, the management had filed an appeal with the higher authorities which had been successfully decided in favour of the Company. The Income Tax department has however filed an appeal with the Hon'ble High Court of Telangana in this regard, which is pending final outcome. However, on the basis of its internal assessment and considering the order of the first level appellate authority, the Company is confident of securing an favourable order from the High Court and accordingly, no adjustments have been made to the standalone financial statements in this regard.*

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian ₹ in lakhs, except for share data and where otherwise stated)

Other pending litigations / contingent liabilities:

(b) *During 2004, the Company was allotted land parcel by the then Andhra Pradesh Industrial Infrastructure Corporation Limited ("APIIC") for setting up a basic research and development center. Subsequently public interest litigation was filed challenging allotments made by APIIC as unconstitutional and to cancel the allotments and resume the lands in all cases where the development has not commenced or the substantial progress has not been made as per the terms of allotments and regulations. The Company has been named as one of the parties to the said public interest litigation and the case is currently pending for hearing at Hon'ble High Court of Telangana. If there is an adverse ruling against the Company, the estimated financial impact on the Company could be ₹1,934.30.*

(c) *Our Company purchased land in Survey No. 490/2 situated at Bonthapally Village, Jinnaram Mandal, Medak District. The Revenue department issued notices to our Company for resumption of the said land on the ground that the same was "assigned land". Our Company has filed an application before the Collector, Medak District for regularization of the said land as per the applicable laws. Our Company also filed a writ petition before the High Court praying for an order not to take any coercive steps. The High Court vide its order dated March 18, 2011 directed the revenue department to not take any coercive steps till the disposal of the representation filed by our Company.*

The matter is pending before the Collector, Medak District. The management believes that the outcome will be in favour of the Company and hence no adjustment is made in the financial statements.

(d) *During the financial year ended 31 March 2008, the Commissioner and Inspector General of Stamps and Registration (CIGSR), Andhra Pradesh has vide it's order dated 22 February 2008 has cancelled the registration of the land parcel owned by the Company situated at Bonthapally pursuant to complain made by one of the sellers. Aggrieved by the aforesaid order the Company has filed a writ petition challenging order of CIGSR with Hon'ble High Court of Telangana (the 'Court') as the Company was not involved during the proceedings. The Court has vide its order dated 31 December 2010 has directed to maintain the status quo with regards to the possession of the property till further orders passed. Proceedings of the case are still pending with the Court. The management is confident that orders will be in the favour of the Company, hence no adjustment is deemed necessary to the Holding Company's financial statements.*

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian ₹ in lakhs, except for share data and where otherwise stated)

42. Additional disclosure as required under paragraph 2 of 'General Instructions for the preparation of Consolidated Financial Statements' of the Schedule III to the Act

	Net assets *				Share in profit / (loss)				Share in other comprehensive income ("OCI")				Share in total comprehensive income			
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated profit / (loss)	Amount	As % of consolidated profit / (loss)	Amount	As % of consolidated OCI	Amount	As % of consolidated OCI	Amount	As % of consolidated total comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
	31 March 2023		31 March 2022		31 March 2023		31 March 2022		31 March 2023		31 March 2022		31 March 2023		31 March 2022	
Parent	99.42%	98,836.47	99.41%	83,557.43	99.76%	16,311.92	99.55%	6,353.34	111.60%	(391.39)	101.04%	(599.17)	99.50%	15,920.53	99.39%	5,754.17
Subsidiary incorporated outside India																
Neuland Laboratories Inc	0.47%	466.70	0.47%	394.21	0.19%	31.01	0.36%	22.92	0.00%	-	0.00%	-	0.19%	31.01	0.40%	22.92
Neuland Laboratories KK	0.12%	122.30	0.14%	114.26	0.05%	8.83	0.09%	5.94	0.00%	-	0.00%	-	0.06%	8.83	0.10%	5.94
Total	**100.01%**	**99,425.47**	**100.02%**	**84,065.90**	**100.00%**	**16,351.76**	**100.00%**	**6,382.20**	**111.60%**	**(391.39)**	**101.04%**	**(599.17)**	**99.76%**	**15,960.37**	**99.89%**	**5,783.03**
Consolidation adjustments	-0.01%	(15.82)	-0.02%	(15.82)	0.00%	-	0.00%	-	-11.60%	40.69	-1.04%	6.18	0.24%	40.69	0.11%	6.18
Net amount	**100.00%**	**99,409.65**	**100.00%**	**84,050.08**	**100.00%**	**16,351.76**	**100.00%**	**6,382.20**	**100.00%**	**(350.70)**	**100.00%**	**(592.99)**	**100.00%**	**16,001.06**	**100.00%**	**5,789.21**

** Net assets means total assets minus total liabilities excluding shareholders funds.*

Note:

The disclosure as above represents separate information for each of the consolidated entities before elimination of inter-company transactions. The net impact on elimination of inter-company transactions / profits / consolidation adjustments have been disclosed separately. Based on the group structure, the management is of the view that the above disclosure is appropriate under the requirements of the Act.

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian ₹ in lakhs, except for share data and where otherwise stated)

43. Leases

The Group has entered into operating leases of office premises and residential bungalow, with no restrictions and are renewable at the option of either of the parties, for a period of 3 years to 5 years. The escalation rates is 5% per annum as per the terms of the lease agreement. There are no sub leases. The Group applies the short term lease and lease of low value assets recognition exemption for few leases.

Particulars		31 March 2023	31 March 2022
(i)	**The movement in right-of-use assets is as follows :**		
	Opening balance	**899.68**	1,224.37
	Additions during the year	-	-
	Deletions during the year	-	-
	Depreciation charge for the year	**(290.23)**	(324.69)
	Closing balance	**609.45**	**899.68**
(ii)	**The break-up of current and non-current lease liabilities is as follows**		
	Non-current lease liabilities	**384.75**	693.96
	Current lease liabilities	**309.23**	264.63
(iii)	**The movement in lease liabilities is as follows :**		
	Opening balance	**958.60**	1,211.79
	Recognised during the year	-	-
	Unwinding of discount on lease liabilities	**81.23**	80.11
	Deletions during the year	-	-
	Repayment of lease liabilities	**(264.62)**	(253.20)
	Interest on lease liabilities	**(81.23)**	(80.10)
	Closing balance	**693.98**	**958.60**
(iv)	**The contractual maturities of lease liabilities on an undiscounted basis are as follows:**		
	Less than one year	**362.98**	345.86
	One to five years	**410.65**	773.62
	More than five years	-	-

Note:

1. *The aggregate depreciation expense on right-of-use assets of ₹290.23 is included under depreciation and amortization expense in the Statement of Profit and Loss.*

2. *Rental expense recorded for short-term and low value leases was ₹27.29 for the year ended March 31, 2023.*

3. *The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.*

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian ₹ in lakhs, except for share data and where otherwise stated)

44. Ratios

S No.	Ratio	Formula	Particulars		31 March 2023		31 March 2022		Ratio as on 31 Mar 2023	Ratio as on 31 Mar 2022	Variation	Reason (If variation is more than 25%)
			Numerator	Denominator	Numerator	Denominator	Numerator	Denominator				
(a)	Current Ratio	Current Assets / Current Liabilities	Current Assets= Inventories + Current Investments + Trade Receivables + Cash & Cash Equivalents + Other Current Assets + Contract Assets + Assets held for Sale	Current Liability= Short term borrowings + Trade Payables + Other financial Liabilities+ Current tax (Liabilities) + Contract Liabilities+ Provisions + Other Current Liabilities	**76,089.41**	**43,895.70**	58,079.25	36,315.66	**1.73**	1.60	8%	
(b)	Debt-Equity Ratio	Debt / Equity	Debt= long term borrowings and current maturities of long-term borrowings	Equity= Equity + Reserve and Surplus	**11,035.24**	**99,409.65**	13,873.14	84,050.08	**0.11**	0.17	-33%	Repayment of long term debt as per repayment schedule and increase in base due to increase in profit of the year
(c)	Debt Service Coverage Ratio	Net Operating Income / Debt Service	Net Operating Income= Net profit before taxes + Depreciation + finance cost	Debt Service = Interest & Lease Payments + Principal Repayments	**28,159.09**	**5,142.31**	14,469.78	3,835.17	**5.48**	3.77	45%	Increase in EBIDTA Margin due to better business mix and operational leverage
(d)	Return on Equity Ratio	Profit after tax x 100 / Shareholder's Equity	Net Income= Net Profit after taxes	Shareholder's Equity	**16,351.76**	**99,409.65**	6,382.20	84,050.08	**16.45%**	7.59%	117%	Increase in net income due to better business mix and operational leverage
(e)	Inventory Turnover Ratio	Cost of Goods Sold / Average Inventory	Cost of Goods Sold	(Opening Inventory + Closing Inventory)/2	**86,834.82**	**27,222.18**	78,501.45	25,640.89	**3.19**	3.06	4%	
(f)	Trade Receivables Turnover Ratio	Net Credit Sales / Average Trade Receivables	Net Credit Sales	(Opening Trade Receivables + Closing Trade Receivables)/2	**117,807.20**	**30,191.29**	94,190.96	22,981.91	**3.90**	4.10	-5%	
(g)	Trade Payables Turnover Ratio	Net Credit Purchases / Average Trade Payables	Net Credit Purchases	(Opening Trade Payables + Closing Trade Payables)/2	**49,103.92**	**14,419.42**	43,662.93	13,475.88	**3.41**	3.24	-5%	
(h)	Net Capital Turnover Ratio	Revenue / Average Working Capital	Revenue	Average Working Capital= Average of Current assets – Current liabilities	**119,119.80**	**26,978.65**	95,107.66	19,935.61	**4.42**	4.77	-7%	
(i)	Net Profit Ratio	Net Profit / Net Sales	Net Profit	Net Sales	**16,351.76**	**119,119.80**	6,382.20	95,107.66	**13.73%**	6.71%	105%	Increase in net income due to better business mix and operational leverage
(j)	Return on Capital Employed	EBIT / Capital Employed	EBIT= Earnings before interest and taxes	Average Capital Employed	**22,881.35**	**108,056.97**	9,565.76	98,830.43	**21.18%**	9.68%	119%	Increase in EBIT due to better business mix and operational leverage
(k)	Return on Investment	Net Profit / Net Investment	Net Profit	Net Investment= Net Equity	**16,351.76**	**99,409.65**	6,382.20	84,050.08	**16.45%**	7.59%	117%	Increese in net income due to better business mix and operational leverage

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian ₹ in lakhs, except for share data and where otherwise stated)

45. The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued.

The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

46. The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company did not have any long-term contracts (including derivative contracts) for which there were any material foreseeable losses.

47. The figures for the corresponding previous year have been regrouped/reclassified wherever necessary, to make them comparable. There are no other subsequent events that occurred after the reporting date.

48. Other Statutory Information:

i. The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

ii. The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

iii. The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

iv. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

v. The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

vi. The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

vii. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries).

The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

viii. The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (and previous year) in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

Notes to Consolidated Financial Statements

for the year ended March 31, 2023

(All amounts are in Indian ₹ in lakhs, except for share data and where otherwise stated)

49. The figures for the corresponding previous year have been regrouped/reclassified wherever necessary, to make them comparable. There are no other subsequent events that occurred after the reporting date.

50. The consolidated financial statements are approved for issue by the Company's Board of Directors on 11 May 2023.

This is the Summary of Significant Accounting Policies and Other Explanatory Information referred to in our report of even date.

For **M S K A & Associates**
Chartered Accountants
Firm's Registration No: 105047W

Amit Kumar Agarwal
Partner
Membership No: 214198

Place: Hyderabad
Date: 11 May 2023

For and on behalf of the Board of Directors of **Neuland Laboratories Limited**

Dr. D. R. Rao
Executive Chairman
DIN 00107737

D. Sucheth Rao
Vice Chairman and CEO
DIN 00108880

D. Saharsh Rao
Vice Chairman and Managing Director
DIN 02753145

Abhijit Majumdar
Chief Financial Officer

Sarada Bhamidipati
Company Secretary

Place: Hyderabad
Date: 11 May 2023

Form AOC-I

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries / joint ventures

Part "A": Subsidiaries

(₹ in lakhs)

Name of Subsidiary	Neuland Laboratories K. K.	Neuland Laboratories INC.
Country	**Japan**	**U.S.A**
Reporting Currency	**¥**	**US $**
Exchange Rate	0.6184	82.11
Share Capital	15.37	0.45
Reserves & Surplus	106.93	466.24
Total Assets	198.67	573.42
Total Liabilities	198.67	573.42
Investments Made	-	-
Turnover	263.79	856.79
Profit / (Loss) before Taxation	12.56	40.79
Provision for Taxation	3.73	9.78
Profit / (Loss) after Taxation	8.83	31.01
Proposed Dividend	-	-
% of shareholding	100%	100%

Notes:

- *There is no subsidiary which is yet to commence operations.*

For and on behalf of the Board of Directors of **Neuland Laboratories Limited**

Dr. D. R. Rao
Executive Chairman

D. Sucheth Rao
Vice Chairman and CEO

D. Saharsh Rao
Vice Chairman and MD

Abhijit Majumdar
Chief Financial Officer

Sarada Bhamidipati
Company Secretary