

# C. M. GABHAWALA & CO. (Regd.)

## CHARTERED ACCOUNTANTS

42, Nanik Niwas, 30, Dr.D.D.Sathe Marg, Girgaum, Mumbai - 400 004

Phone: 2384 1752 / 2382 3923 / 2388 0101. Email: admin@cmgco.net

### INDEPENDENT AUDITORS' REPORT

#### To The Members of Herbolab India Private Limited

#### Report on the Audit of Standalone Annual Financial Statements

##### Opinion

We have audited accompanying standalone annual financial statements of Herbolab India Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2022, the Statement of Profit and Loss (including the Statement of Other Comprehensive Income), the statement of Cash Flows and the Statement of Changes in Equity, for the year ended and notes to financial statements, including a summary of significant accounting policies and other explanatory information ("financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone annual financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies( Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2022, the Loss, total comprehensive income, changes in equity and its cash flow for the year ended on that date.

##### Basis for Opinion

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

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

2. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Director Report, but does not include the standalone Annual Financial Statements and our auditor's report thereon.



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Our opinion on the standalone Annual Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

### Management's Responsibility for the Financial Statements

4. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone annual Financial Statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the IND AS and other accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
5. In preparing the standalone annual Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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



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### **Auditor's Responsibilities for the Audit of the Standalone annual Financial Statements**

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.





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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

### Report on Other Legal and Regulatory Requirements

7. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
8. As required by section 143(3) of the Act, we report that:
- 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;
  - In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of changes in Equity and the statement of Cash Flows dealt with by this Report are in agreement with the books of account;
  - In our opinion, the aforesaid standalone annual Financial Statements comply with the IND AS specified under section 133 of the Act.
  - On the basis of written representations received from the directors as on 31st March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2022 from being appointed as a director in terms of Section 164 (2) of the Act.



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- f. Since the Company's turnover as per last audited financial statements is less than Rs.50 Crores and its borrowings from banks and financial institutions at any time during the year is less than Rs. 25 Crores, the Company is exempted from getting an audit opinion with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls vide notification dated June 13, 2017
- 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 as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigation which would impact its financial position in its financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which provision is required to be made for any material foreseeable losses.
  - iii. The Company is not required to transfer funds to the Investors Education and Protection Fund.
  - iv. (1) As per the representation received from the management, to the best of its 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 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, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide guarantees, security or the like on behalf of the Ultimate Beneficiaries.
  - (2) As per the representation received from the management, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide guarantees, security or the like on behalf of the Ultimate Beneficiaries.
  - (3) Based on the audit procedures, nothing has come to our notice to believe that the representations under (1) and (2) above contain any material mis-statement.



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- v. No dividend was declared or paid during the year by the company.
- vi. Requirement of maintaining books of accounts which has a feature of recording trail (edit log) facility is postponed to 1.4.2022 as per Notification dated 1.4.2021

For C.M. GABHAWALA & CO  
Chartered Accountants  
Firm Registration No: 102870W



**Biren Gabhawala**  
Partner  
Membership no: 040496  
UDIN: 22040496AIGNOA3627

Place of Signature: Mumbai  
Date: 25<sup>th</sup> April, 2022



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### ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in our Independent Auditors' Report to the members of the Company for the year ended 31<sup>st</sup> March 2022, we report that:

- (i) (a) (A) The company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;
- (B) The company is maintaining proper records showing full particulars of intangible assets;
- (b) Property, Plant and Equipment have been physically verified by the management at reasonable intervals; According to the information and explanations given to us, no discrepancy has been observed between book quantity and physical verified quantity.
- (c) The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company.
- (d) The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year;
- (e) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder;
- (ii) (a) Physical verification of inventory has been conducted at reasonable intervals by the management and in our opinion, the coverage and procedure of such verification by the management is appropriate;
- (b) The company has not availed any working capital limits from banks or financial institutions on the basis of security of current assets during the year. Accordingly, clause 3(ii)(b) is not applicable to the Company.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, Limited Liability Partnerships firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, clause 3(iii) is not applicable to the Company.
- (iv) The company has not given / made any loans, investments, guarantees, and security. Accordingly provisions of Section 185 and 186 of the Companies Act, 2013 are not applicable.
- (v) The Company has not accepted any public deposits within the meaning of Sections 73 to 76 of Companies Act, 2013 and rules framed there under. Accordingly, clause 3(v) is not applicable to the Company.
- (vi) The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for any goods sold and services/ activities rendered by the Company. As the clause 3(vi) of the Order regarding maintenance of cost records under Sub-Section (1) of Section 148 of the Companies Act, 2013 is not applicable to the Company.





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- (vii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees State Insurance, Income-tax, Duty of customs, Goods and Services tax, Cess and any other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.
- (viii) There are no transactions which are not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, clause 3(viii) is not applicable to the Company.
- (ix) The Company has not borrowed any money from financial institutions, banks or debenture holders. Accordingly, the provision of clause 3(xi) of the Order is not applicable to the Company.
- (x) The company has not raised any money by way of initial public offer or further public offer (including debt Instrument), thus paragraph 3(iv) of the Order is not applicable;
- (xi) (a) There is no instance of any fraud by the company or any fraud on the Company by its officers or employees, either noticed or reported during the period under review, on or by the Company.  
(b) There is no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.  
(c) There are no whistle-blower complaints received during the year by the company.
- (xii) The Company is not in the nature of a Nidhi Company as defined under Section 406 the Companies Act, 2013. Accordingly, the provision of clause 3(xii) of the Order is not applicable to the Company.
- (xiii) All transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements, as required by the applicable accounting standards
- (xiv) (a) The company has an internal audit system commensurate with the size and nature of its business;  
(b) The report of the Internal Auditors for the period under audit were considered by the statutory auditor;
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with him and hence clause 3(xv) of the Order is not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.





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- (xvii) The company has incurred cash losses in the financial year and in the immediately preceding financial year, The amount of cash losses is as under:

Particulars	FY 2021-22	FY 2020-21
Net Profit before tax as per Statement of Profit and Loss Account for the year ended	(24,44,02,037)	(29,56,74,834)
Add: Depreciation	10,24,273	9,22,822
Add: Gratuity	16,04,970	11,34,196
Add: Lease Amortisation	64,19,137	34,58,475
<b>Cash Loss for year ended 31<sup>st</sup> March, 2022</b>	<b>(23,53,53,657)</b>	<b>(29,01,59,341)</b>

- (xviii) There is no resignation of the statutory auditors during the year.

- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, there is no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date;

- (xx) The provisions of Section 135 of the Companies Act are not applicable to the company. Accordingly, the provision of clause 3(xx) of the Order is not applicable to the Company.

- (xxi) The provision of Clause 3(xxi) of the Order is not applicable to the Company.

**For C.M. GABHAWALA & CO**  
Chartered Accountants  
Firm Registration No: 102870W

**Biren Gabhawala**  
Partner  
Membership no: 040496  
UDIN: 22040496AIGNOA3627

Place of Signature: Mumbai  
Date: 25<sup>th</sup> April, 2022.

Particulars	Notes	As at 31st March, 2022	As at 31st March, 2021
<b>I. Assets</b>			
(1) <b>Non-current Assets</b>			
(a) Property, plant and equipment	3(i)	82,03,834	90,41,710
(b) Intangible assets	3(ii)	4,28,758	4,88,534
(c) Capital Work-in-progress	3(iii)	1,26,45,102	-
(d) Investment property	4	96,000	96,000
(f) Right of Use Assets	5	3,26,67,997	61,47,131
(g) Financial assets			
(i) Investments	6	1,05,000	1,05,000
(ii) Other financial assets	7	45,04,947	4,46,947
(h) Deferred Tax asset ( net )	8	-	-
(i) Non-current tax assets (net)	9	4,81,359	2,31,160
<b>Total non-current assets</b>		<b>5,91,32,997</b>	<b>1,65,56,482</b>
(2) <b>Current Assets</b>			
(a) Inventories	10	2,84,08,873	2,73,12,934
(b) Financial assets			
(i) Investments	6	-	-
(i) Trade receivables	11	2,97,44,428	2,25,93,022
(ii) Cash and cash equivalents	12	70,38,493	1,22,32,886
(iii) Other financial assets	7	62,500	60,000
(c) Other Current assets	13	10,49,87,047	5,42,46,617
<b>Total current assets</b>		<b>17,02,41,341</b>	<b>11,64,45,459</b>
<b>Total assets</b>		<b>22,93,74,338</b>	<b>13,30,01,941</b>
<b>II. Equity and liabilities</b>			
(1) <b>Equity</b>			
(a) Equity share capital	14	1,93,93,800	1,64,41,080
(b) Other equity	15	7,31,05,977	1,99,31,488
<b>Total equity</b>		<b>9,24,99,777</b>	<b>3,63,72,568</b>
(2) <b>Liabilities</b>			
(1) <b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Lease Liabilities	16	3,00,26,331	40,57,563
(b) Provision	17	48,15,249	23,48,814
<b>Total non-current liabilities</b>		<b>3,48,41,580</b>	<b>64,06,377</b>
(2) <b>Current liabilities</b>			
(a) Financial liabilities			
(i) Lease Liabilities	16	41,81,178	25,85,323
(ii) Trade payables	18	-	-
- total outstanding dues of micro enterprises and small enterprises		81,49,496	88,15,712
- total outstanding dues of creditors other than micro and small enterprises		4,61,64,070	6,46,56,254
(iii) Other financial liability	19	70,89,283	76,86,763
(b) Provision	17	21,728	5,32,072
(c) Other Current liabilities	20	3,64,27,226	59,46,872
<b>Total Current liabilities</b>		<b>10,20,32,981</b>	<b>9,02,22,996</b>
<b>Total liabilities</b>		<b>13,68,74,561</b>	<b>9,66,29,373</b>
<b>Total equity and liabilities</b>		<b>22,93,74,338</b>	<b>13,30,01,941</b>
Notes forming part of Financial Statements	1-29		

This is the standalone balance sheet referred to in our report of even date.

For C. M. Gabhawala and Co.  
Chartered Accountants  
FRN: 102870W

Biren Gabhawala  
Partner  
Membership No. 040496



Place : Mumbai  
Date : 25/04/2022

For and on behalf of the board of directors



Gauri Malhotra  
Director  
DIN: 0926857

Gopal Rath

Gopal Rath  
Director  
DIN: 00553066

Mumbai

Kolkata

HERBOLAB INDIA PRIVATE LIMITED  
CIN:U51909MH1980PTC022628  
Statement of Profit and Loss for the period ended 31st March'2022  
(All amounts in ₹, unless other wise stated)

		For the year ended 31st March,2022	For the year ended 31st March,2021
	Notes		
I. Revenue from operations			
Sale of goods/income from operation	21	18,40,68,343	20,40,58,597
		<b>18,40,68,343</b>	<b>20,40,58,597</b>
II. Other income	22	26,92,524	15,45,973
Finance income			
III. Total income (I+II)		<b>18,67,60,866</b>	<b>20,56,04,570</b>
IV. Expenses			
Cost of materials consumed	23	4,41,43,939	5,29,32,193
Purchases of Stock- in -trade	24	-	-
Change in inventories of finished goods, work-in-progress and Stock in Trade	25	2,35,080	(1,03,93,996)
Employee benefits expense	26	7,95,53,790	15,10,79,188
Depreciation and amortization expense	27	54,58,909	36,37,707
Finance costs	28	23,70,877	64,24,082
Other expenses	29	29,94,00,308	29,76,00,230
Total expense		<b>43,11,62,903</b>	<b>50,12,79,404</b>
V. Profit/(Loss) before exceptional items and tax (III-IV)		<b>(24,44,02,037)</b>	<b>(29,56,74,834)</b>
Exceptional items		-	-
VI. Profit/(Loss) before tax		<b>(24,44,02,037)</b>	<b>(29,56,74,834)</b>
VII. Tax Expense			
(1) Current tax		-	-
(2) Deferred tax (Credit)		-	1,92,66,546
(3) Short / ( excess) Provision		-	-
Income tax expense / (Credit)		<b>-</b>	<b>1,92,66,546</b>
VIII. Profit/(Loss) for the year (VI-VII)		<b>(24,44,02,037)</b>	<b>(31,49,41,380)</b>
IX. Other comprehensive income			
(A)(i) Items that will not be reclassified to profit or loss			
Re- measurements gain/ (loss) on defined benefit plans		5,32,291	(3,42,035)
(ii) Income Tax relating to items that will not be reclassified to profit or loss			
Re- measurements gain/ (loss) on defined benefit plans		-	-
Other comprehensive income /(expense) for the year, net of tax		<b>5,32,291</b>	<b>(3,42,035)</b>
X. Total comprehensive income for the year, net of tax attributable to equity holders (VIII+IX)		<b>(24,38,69,746)</b>	<b>(31,52,83,415)</b>
Earnings per equity share (Face Value of Rs 10 each)			
Basic, computed on the basis of profit attributable to equity holders		(139.71)	(222.56)
Diluted, computed on the basis of profit attributable to equity holders		(139.71)	(222.56)

Notes forming part of Financial Statements

1-29

This is the standalone Statement of profit and loss referred to in our report of even date

For C. M. Gabhawala and Co.  
Chartered Accountants  
FRN: 102870W

Biren Gabhawala  
Partner  
Membership No. 040496

For and on behalf of the board of directors



Gauri Malhotra  
Director  
DIN: 0926857

Gopal Rath  
Gopal Rath  
Director  
DIN: 00553066

Mumbai

Kolkata

Place : Mumbai  
Date : 25/04/2022



	For the year ended 31st March, 2022	For the year ended 31st March, 2021
<b>Cash Flow from Operating activities</b>		
Profit/(loss) before tax	(24,44,02,037)	(29,56,74,834)
<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
Depreciation and impairment of property, plant and equipment	53,95,592	36,06,183
Amortisation and impairment of intangible assets	63,317	31,524
Provision for gratuity	-	13,89,600
Gratuity paid	-	(7,64,567)
Leave encashment	-	5,24,100
Finance Cost	23,70,877	64,24,082
Baddebts written off	-	9,02,800
ECL Provision	42,49,366	9,97,948
Obsolete Stock provision	12,33,626	-
Foreign currency fluctuations	-	(23,656)
Profit on sale of current investments	-	(2,12,679)
Interest income on Fixed deposit	-	(1,62,415)
<b>Operating Loss before working capital changes</b>	<b>(23,10,89,259)</b>	<b>(28,29,61,914)</b>
<b>Working capital adjustments:</b>		
(Increase)/ decrease in trade receivables	(1,14,00,773)	85,58,737
(Increase)/ decrease in Inventories	(23,29,565)	(1,12,29,509)
Increase/(decrease) in trade and other payables	(1,91,07,640)	2,98,83,780
Increase / (decrease) in Other Current liabilities	3,04,80,354	1,30,92,748
Increase / (decrease) in Current liabilities	(5,97,480)	-
(Increase)/ decrease in Other financial assets	(2,500)	-
Increase / (decrease) in provisions (actuarial)	24,88,382	-
(Increase) / decrease in Other Current assets	(5,07,40,431)	(3,28,35,426)
Taxes Paid (TDS)	(28,22,98,911)	(27,54,91,584)
<b>Net cash flows used in operating activities</b>	<b>(2,50,199)</b>	<b>(31,692)</b>
	<b>(28,25,49,110)</b>	<b>(27,55,23,276)</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment	(1,28,21,780)	(1,02,89,413)
Purchase of intangible assets	-	(3,24,000)
Proceeds from Sale of current investments (net)	-	2,12,679
Security deposits	(40,58,000)	-
Investments in bank deposits and margin money deposit	-	-
Interest received	-	1,62,415
<b>Net cash flows used in investing activities</b>	<b>(1,68,79,780)</b>	<b>(1,02,38,319)</b>
<b>Financing Activities</b>		
Issue of shares	29,52,720	23,03,150
Securities premium	29,70,43,632	23,16,96,850
Interest Paid	(19,84,503)	(54,51,125)
Lease Liability paid	(33,90,978)	(29,62,720)
Share application money received	-	-
Other Financing cost	(3,86,374)	(1,42,736)
<b>Net cash flows from/(used in) financing activities</b>	<b>29,42,34,497</b>	<b>22,54,43,419</b>
Net increase /decrease in cash and cash equivalents	(51,94,393)	(6,03,18,176)
Cash and cash equivalents at the beginning of the year	1,22,32,886	7,25,51,062
<b>Cash and cash equivalents at year end</b>	<b>70,38,493</b>	<b>1,22,32,886</b>
<b>** Comprises of</b>		
Balance with bank in current accounts	69,54,955	1,21,56,006
Cash in hand	83,538	76,880
<b>Total</b>	<b>70,38,493</b>	<b>1,22,32,886</b>

The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'

This is the Statement of Cash Flows referred to in our Report of even date.

For C. M. Gabhawala and Co.  
Chartered Accountants  
FRN: 102870W



Biren Gabhawala  
Partner  
Membership No. 040496

Place : Mumbai  
Date : 25/04/2022

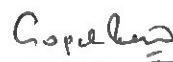


For and on behalf of the board of directors



Gauri Malhotra  
Director  
DIN: 0926857

Mumbai



Gopal Rath  
Director  
DIN: 00553066

Kolkata



A. Equity share capital:

Equity shares of INR 10 each issued, subscribed and fully paid	No.	₹
Balance as at 1st April, 2020	14,13,793	1,41,37,930
Shares issued during the year	2,30,315	23,03,150
Bought back during the year	-	-
Balance as at 31st Mar, 2021	16,44,108	1,64,41,080
Shares issued during the year	2,95,272	29,52,720
Bought back during the year	-	-
Balance as at 31st March, 2022	19,39,380	1,93,93,800

B. Other equity (Refer Note 15)

Particulars	Share Application Money Pending Allotment	Reserves and surplus		Other Comprehensive Income	Total Other Equity
		Securities Premium Reserve	Retained earnings	Other items of OCI	
Balance as at 1st April, 2021	-	37,75,58,883	(35,73,27,809)	(2,99,586)	1,99,31,488
Profit/(Loss) for the year	-	-	(24,44,02,037)	5,32,291	(24,38,69,746)
Other comprehensive income / (Loss) for the year	-	-	-	-	-
Re measurement gain/(loss) on defined benefit plans (Net of taxes)	-	-	-	-	-
Share Application Money Received	-	-	-	-	-
Transfer to Equity Share Capital	-	-	-	-	-
Transfer to Equity Securities premium	-	29,70,43,632	-	-	29,70,43,632
Share application money refunded during the period	-	-	-	-	-
Balance as at 31st March'2022	-	67,46,02,515	(60,17,29,846)	2,32,705	7,31,05,374

Particulars	Share Application Money Pending Allotment	Reserves and surplus		Other Comprehensive Income	Total Other Equity
		Securities Premium Reserve	Retained earnings	Other items of OCI	
Balance as at 1st April, 2020	-	14,58,62,033	(4,23,86,429)	42,449	10,35,18,053
Profit/(Loss) for the year	-	-	(31,49,41,380)	-	(31,49,41,380)
Other comprehensive income / (Loss) for the year	-	-	-	-	-
Re measurement gain/(loss) on defined benefit plans (Net of taxes)	-	-	-	(3,42,035)	(3,42,035)
Share Application Money Received	-	-	-	-	-
Transfer to Equity Share Capital	-	-	-	-	-
Transfer to Equity Securities premium	-	23,16,96,850	-	-	23,16,96,850
Share application money refunded during the period	-	-	-	-	-
Balance as at 31st March, 2021	-	37,75,58,883	(35,73,27,809)	(2,99,586)	1,99,31,488

This is the Statement of Changes in Equity referred to in our Report of even date.

For C. M. Gabhawala and Co.

Chartered Accountants  
FRN: 102870W



Biren Gabhawala  
Partner  
Membership No. 040496



For and on behalf of the board  
of directors



Gauri Malhotra  
Director  
DIN: 0926857



Gopal Rathi  
Director  
DIN: 00553066

Place : Mumbai  
Date : 25/04/2022



Mumbai

Kolkata

**Notes forming part of Financial Statements**

**1 Corporate information**

The Company was incorporated on 15th May 1980 as a Private Limited Company (CIN: U51909MH1980PTC022628) under the Companies Act, 1956 with the principle objective to carry on the business of manufacturing ayurvedic medicines.

**2 Significant accounting policies**

**2.1 Basis of preparation**

**a. Statement of Compliance**

The Financial statements of the Company are prepared on Going Concern basis in accordance with the Indian Accounting Standard (Ind-AS) as prescribed under section 133 of the Companies Act, 2013 read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) relevant amendment rules issued thereafter.

**b. Functional and Presentation Currency**

These standalone financial statements are presented in Indian Rupees, which is also the Company's functional currency. All amounts have been rounded-off upto two decimal places to the nearest Lakhs, unless otherwise indicated.

**c. Basis of measurement**

The standalone financial statements have been prepared on the historical cost basis, except for certain assets and liabilities which has been measured at Fair Value basis as mentioned below:

Items	Measurement Basis
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

**d. Key accounting estimates and judgements**

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Continuous evaluation is done on the estimation and judgements based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

**e. Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties that may have a significant risk of resulting in a material adjustment in the year ended 31 March 2020 is included in the following notes:

Note 8 - recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;

Note 30 - measurement of defined benefit obligations: key actuarial assumptions;

Note 3 - Useful Life and Residual Value of Property Plant and equipment and Intangible Asset

Note 4 - Impairment of Property Plant and Equipment and Intangible asset ( If any )

Note 5 & 16 - Measurement of Lease liabilities and Right of Use Asset (ROU)

**f. Current versus non-current classification**

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

**g. Recent Accounting Developments**

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013.

The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to Companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

**Balance Sheet:**

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc

**Statement of profit and loss:**

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.



**Notes forming part of Financial Statements**

**2.2 Summary of significant accounting policies**

**a. Property, plant and equipment**

**Recognition and Measurement**

Property, plant and equipment are stated at cost, less accumulated depreciation/impairment losses if any. The cost of an item of property, plant and equipment comprises its purchase price after deducting trade discounts and rebates, incidental expenses, erection/ commissioning expenses, borrowing cost, any directly attributable cost of bringing the item to its working condition for its intended use and costs of dismantling and removing the item and restoring the site on which it is located. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. A fixed asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Any gain or loss on disposal of an item of property, plant and equipment is recognised in statement of profit or loss.

**Subsequent Expenditure**

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

**Depreciation, Estimated useful life and residual value**

Depreciation on fixed assets is provided, on their having been put into use, in the following manner:

Depreciation on fixed assets is provided on Straight Line Method at the rate derived with reference to the useful life as specified under Part 'C' of Schedule II of the Companies Act' 2013, residual value of tangible assets, where considered, has been taken as five percentage of the original cost of such assets.

The range of estimated useful lives of items of property, plant and equipment are as follows:

Block of Asset	Useful life ( in years)
Plant and machinery	10-15
Tool & Equipment	5
Dies & Moulds	1
Furniture & fixtures	10
Building	30
Computer & peripherals	3
Electrical Installation	10
Lab equipments	10
Office equipments	5
Leasehold Improvement	Over Contract period

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial years end and adjusted prospectively, if appropriate.

The carrying amount of assets is reviewed at each balance sheet date, to determine if there is any indication of impairment based on the internal/external factors. An impairment loss is recognized wherever the carrying amount of assets exceeds its recoverable amount which is the greater of net selling price and value in use of the respective assets. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and risk specific to the asset. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

**Capital work-in-progress and Capital advances**

Capital work-in-progress represents expenditure incurred in respect of capital projects and are carried at cost. Cost comprises of purchase cost, related acquisition expenses, development / construction costs, borrowing costs and other direct expenditure.

Advances given towards acquisition of property, plant and equipment outstanding at each balance sheet date are disclosed as Other Non-Current Assets.

**b. Intangible assets**

**Recognition and Measurement**

Acquired Computer softwares and knowhow & licenses are capitalised on the basis of the costs incurred to acquire and bring the specific asset to its intended use and subsequently at cost less accumulated amortisation and accumulated impairment loss, if any.

Intangible assets are amortised over the useful economic life on a straight line basis and assessed for impairment whenever there is an impairment indicator. The amortisation expense is recognised in the statement of profit and loss.

The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortisation method is changed to reflect the changed pattern

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Class of Assets	Estimated useful lives
Trademark	10 years

**c. Investment property**

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

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**Notes forming part of Financial Statements**

**d. Leases :**

**The Company as a lessee:**

The Company's lease asset classes primarily consist of leases for land, buildings and plant and machinery. The Company assesses whether a contract contains a lease, at inception of a contract. 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. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

**The Company as a lessor:**

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

**e. Inventories**

Raw materials, work-in-progress, finished goods and packing materials are carried at the lower of cost and net realizable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item-by item basis.

In determining the cost of raw materials and packing materials, weighted average cost method is used. Cost of inventory comprises all costs of purchase, duties,

taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition. Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads, and other costs incurred in bringing the inventories to their present location and condition. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The net realisable value of materials in process is determined with reference to the selling prices of related finished goods.

The provision for inventory obsolescence is assessed regularly based on estimated usage and shelf life of products.

**f. Impairment of assets**

**(i) Non-financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Companies of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is provided for to arrive at its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

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**Notes forming part of Financial Statements**

**(ii) Financial assets**

The Company recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. The Company tests for impairment using the ECL model for financial assets such as trade receivables, loans and advances to be settled in cash and deposits.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. Life time ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events on a financial instrument that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the statement of profit and loss (P&L). This amount is reflected in a separate line in the P&L as an impairment gain or loss. For financial assets measured at amortised cost, ECL is presented as an allowance which reduces the net carrying amount of the financial asset.

**g. Financial asset and liabilities**

**Recognition and initial measurement**

The Company initially recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition.

**Classification and subsequent Measurement**

The financial assets are classified in the following categories :

- 1) financial assets measured at amortised cost.
- 2) financial assets measured at fair value through profit & loss account
- 3) financial assets measured at fair value through other comprehensive income

The classification of financial assets depends on the Company's business model for managing financial assets and the contractual terms of the cash flow.

**Financial assets measured at amortised cost**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Financial instruments measured at fair value through other comprehensive income (FVTOCI)**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Financial instruments measured at fair value through profit or loss account (FVTPL)**

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

**Financial liabilities**

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

**Derecognition**

**Financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

**Financial liabilities**

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognised in the Statement of Profit and Loss.

**h Foreign currencies Transactions**

Transactions in foreign currencies are translated into the functional currency of the Group at the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate prevailing at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of initial transaction. Exchange differences are recognised in the Statement of Profit and Loss in the period in which they arise.



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**Notes forming part of Financial Statements**

**i. Segment Reporting**

The Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by industry classes.

The operating segment of the Company is identified to be "manufacturing and distribution of Ayurvedic medicines" as the CODM reviews business performance at an overall Company level as one segment.

**j. Revenue recognition**

Revenue from sale of products is recognised when control of products being sold is transferred to customer and when there are no longer any unfulfilled obligations. The performance obligations in contracts are considered as fulfilled in accordance with the terms agreed with the respective customers. Revenue is measured at fair value of the consideration received or receivable and are accounted for net of returns, rebates and trade discount and any taxes or duties collected on behalf of the Government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts and rebates.

Customers have the contractual right to return goods only when authorised by the Company. An estimate is made of goods that will be returned and a liability is recognised for this amount using a best estimate based on accumulated experience.

The Company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods to a customer, excluding amounts collected on behalf of third parties (for example taxes collected on behalf of government). The consideration promised in a contract with a customer may include fixed consideration, variable consideration (if reversal is less likely in future), or both. The transaction price is allocated by the Company to each performance obligation in an amount that depicts the amount of consideration to which it expects to be entitled in exchange for transferring the promised goods to the customer. For each performance obligation identified, the Company determines at contract inception whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time. When either party to a contract has performed its obligation, an entity shall present the contract in the balance sheet as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment.

Income from services rendered is recognised based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations.

Interest income is recognized using effective interest method.

Dividend income is recognized at the time when the right to receive is established by the reporting date.

Other incomes have been recognized on accrual basis in the financial statements, except when there is uncertainty of collection.

**k. Borrowing costs**

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method.

Borrowing cost consists of interest and other costs incurred in connection with the borrowing of funds and also include exchange differences to the extent regarded as an adjustment to the same. Borrowing costs directly attributable to the acquisition and/or construction of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Consolidated Statement of Profit and Loss as incurred.

**l. Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cheques in hand, cash at bank and cash in hand and short-term deposits with an original maturity of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and bank balances and short-term deposits, as defined above.

**m. Taxes**

**(i) Current income tax**

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity)

**(ii) Deferred tax and Liabilities**

Deferred tax is provided on temporary differences between the tax bases and accounting bases of assets and liabilities at the tax rates and laws that have been enacted or substantively enacted at the Balance Sheet date.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

For items recognised in OCI or equity, deferred / current tax is also recognised in OCI or equity.

**n. Fair value**

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 — quoted (unadjusted) market prices in active markets for identical assets or liabilities

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**Notes forming part of Financial Statements**

Level 2 — inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 — inputs for the asset or liability that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

**o. Provisions and Contingent Liabilities**

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

In an event when the time value of money is material, the provision is carried at the present value of the cash flows estimated to settle the obligation

**Contingent liabilities**

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is possible. Major contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of economic resources is remote.

**p. Employee benefits**

(i) **Short-term employee benefits:** Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as and when the related services are provided. A liability is recognised for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

(ii) **Defined contribution plans:** A defined contribution plan is a post-employment benefit plan under which an entity pays a fixed contribution and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to provident and superannuation fund are recognised as an employee benefit expense in Statement of Profit and Loss when the contributions to the respective funds are due.

(iii) **Defined benefit plans:** A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plans.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses due to experience adjustments, changes in actuarial assumptions and the return on plan assets (excluding interest) are recognised in Other comprehensive income (OCI). Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

(iv) **Compensated absences:** The employees of the Company are entitled to compensated absences which are both accumulating and nonaccumulating in nature. The expected cost of accumulating compensated absences is measured on the basis of an annual independent actuarial valuation using the projected unit credit method, for the unused entitlement that has accumulated as at the balance sheet date. Non-accumulating compensated absences are recognised in the period in which the absences occur.

**q. Expenses**

All expenses are accounted for on accrual basis.

**x. Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss before Other Comprehensive Income for the year by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss before Other Comprehensive Income for the year and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.



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Notes to the financial statements  
(All amounts in ₹, unless otherwise stated)  
3. (i). Property, plant and equipments

Gross Carrying Amount	Leasehold Improvement	Buildings	Plant and equipment	Furniture and fixtures	Computer and data processing units	Office equipment	Total
Balance as on 1st April 2020	34,73,783	24,09,180	74,13,825	13,49,365	5,95,552	12,73,828	1,65,15,533
Additions	-	-	10,77,597	-	18,775	3,31,025	14,27,397
Deduction	-	-	-	-	-	-	-
Balance as on 1st April 2021	34,73,783	24,09,180	84,91,422	13,49,365	6,14,327	16,04,853	1,79,42,930
Additions	-	-	2,577	74	44,809	72,964	1,20,423
Deletions	-	-	-	-	-	-	-
Balance as on 31st March 2022	34,73,783	24,09,180	84,96,676	13,49,439	6,59,136	16,77,817	1,80,66,030

Accumulated depreciation	Leasehold Improvement	Buildings	Plant and equipment	Furniture and fixtures	Computer and data processing units	Office equipment	Total
Balance as on 1st April 2020	7,19,976	21,79,038	27,09,501	9,65,371	5,88,863	8,47,173	80,09,922
Depreciation expense for the year	3,35,178	8,728	3,47,957	53,294	7,471	1,38,670	8,91,298
Deletions	-	-	-	-	-	-	-
Balance as on 1st April 2021	10,55,154	21,87,766	30,57,458	10,18,665	5,96,334	9,85,843	89,01,220
Depreciation expense for the year	3,34,260	8,628	3,93,287	53,330	9,974	1,61,497	9,60,976
Deletions	-	-	-	-	-	-	-
Balance as on 31st March 2022	13,89,414	21,96,394	34,50,745	10,71,995	6,06,308	11,47,340	98,62,196

Net block	Leasehold Improvement	Buildings	Plant and equipment	Furniture and fixtures	Computer and data processing units	Office equipment	Total
Balance as on 31st March 2022	20,84,369	2,12,786	50,45,931	2,77,444	52,828	5,30,477	82,03,834
Balance as on 1st April 2021	24,18,629	2,21,414	54,33,964	3,30,700	17,993	6,19,010	90,41,710
Balance as on 1st April 2020	27,53,807	2,30,139	47,04,324	3,83,994	6,689	4,26,655	85,05,608

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Notes to the financial statements  
(All amounts in ₹, unless other wise stated)  
3 (ii) Intangible assets

Gross Carrying Amount	Computer Software	TRADE MARKS	Total
Balance as on 1st April 2020	-	6,09,500	6,09,500
Additions	3,24,000	-	3,24,000
Deletions			
Balance as on 1st April 2021	3,24,000	6,09,500	9,33,500
Additions	53,578	-	53,578
Deletions	49,881	156	50,037
Balance as on 31st March 2022	3,27,697	6,09,344	9,37,041

Accumulated depreciation	Computer Software	TRADE MARKS	Total
Balance as on 1st April 2020		4,13,442	4,13,442
Depreciation expense for the year	2,530	28,994	31,524
Deletions			
Balance as on 1st April 2021	2,530	4,42,436	4,44,966
Depreciation expense for the year	34,477	28,840	63,317
Deletions	-	-	-
Balance as on 31st March 2022	37,007	4,71,276	5,08,283

Net block	Computer Software	TRADE MARKS	Total
Balance as on 31st March 2022	2,90,690	1,38,068	4,28,758
Balance as on 1st April 2021	3,21,470	1,67,064	4,88,534
Balance as on 1st April 2020	-	1,96,058	1,96,058



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Notes to the financial statements

(All amounts in ₹, unless other wise stated)

3. (iii) Capital Work - in- progress

Capital Work in Progress	₹ in Lakhs
	Capital Work in Progress
Gross Carrying Amount	
As At 1st April, 2021	-
Additions	1,26,45,101.92
Less: Transfer to Property, Plant and Equipment	-
Balance as at 31st March , 2022	1,26,45,101.92

(iv) CWIP 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	
Projects in Progress	1,26,45,101.92				1,26,45,101.92
Projects temporarily suspended					



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Notes to the financial statements

(All amounts in ₹, unless other wise stated)

4. Investment property

Gross Carrying Amount	Investment in property	Total
Balance as on 1st April 2019	96,000	96,000
Additions	-	-
Deletions	-	-
Balance as on 1st April 2020	96,000	96,000
Additions	-	-
Deletions	-	-
Balance as on 1st April 2021	96,000	96,000
Additions	-	-
Deletions	-	-
Balance as on 31st March 2022	96,000	96,000

5. Right-of-use assets\*

Gross Carrying Amount	Right-of-use assets	Total
As At 1st April, 2020 (( Effect of Transition to IND AS 116))	88,62,016	88,62,016
Additions	-	-
Deduction	-	-
Balance as at 31st March, 2021	88,62,016	88,62,016
Additions	3,09,55,502	3,09,55,502
Deduction	-	-
Balance as at 31st March, 2022	3,98,17,518	3,98,17,518

Accumulated depreciation	Right-of-use assets	Total
As At 1st April, 2020	-	-
Depreciation	27,14,885	27,14,885
Reversal on disposal of assets	-	-
Balance as at 31st March, 2021	27,14,885	27,14,885

Accumulated depreciation	Right-of-use assets	Total
As At 1st April, 2021	-	-
Depreciation	44,34,636	44,34,636
Reversal on disposal of assets	-	-
Balance as on 31st March, 2022	44,34,636	44,34,636

Net block

Balance as at 31st March, 2021	61,47,131	61,47,131
Balance as at 31st March, 2022	3,26,67,997	3,26,67,997



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## HERBOLAB INDIA PRIVATE LIMITED

## Notes to the financial statements

(All amounts in ₹, unless other wise stated)

## 6 Investments

	As at 31 March 2022	As at 31 March 2021
<b>Non-current Investments</b>		
Measure at cost		
Unquoted, fully paid		
Arunodya Mills	1,05,000	1,05,000
1,05,000 Equity Shares of ₹ 1 each March 31, 2021 (March 31, 2020 105,000)		
	<b>1,05,000</b>	<b>1,05,000</b>
Aggregate amount of Quoted Investments - FVTPL		-
Market value amount of Quoted Investments - FVTPL		-
Aggregate amount of Unquoted Investments - Cost	<b>1,05,000</b>	<b>1,05,000</b>

## 7 Other financial assets

	As at 31 March 2022	As at 31 March 2021
<b>Non Current</b>		
Security Deposits	44,66,408	4,08,408
Bank Deposits	38,539	38,539.00
	<b>45,04,947</b>	<b>4,46,947</b>
<b>Current</b>		
Security Deposits	62,500	60,000
Bank Deposits		-
	<b>62,500</b>	<b>60,000</b>

## 9 Non-current tax assets (net)

	As at 31 March 2022	As at 31 March 2021
Taxes paid (Net of Provisions for tax)	4,81,359	2,31,160
	<b>4,81,359</b>	<b>2,31,160</b>

## 10 Inventories

(At the lower of cost or net realisable value)

	As at 31 March 2022	As at 31 March 2021
Finished goods	1,48,36,757	1,50,71,837
Raw Materials	65,39,130	61,76,698
Packing Material	82,66,611	60,64,399
Less: Provision for obsolete stock	- 12,33,626	
	<b>2,84,08,873</b>	<b>2,73,12,934</b>






**HERBOLAB INDIA PRIVATE LIMITED**  
**Notes to the financial statements**  
**(All amounts in ₹, unless other wise stated)**

**11 Trade receivables**

Unsecured

Considered good

Considered doubtful

Less: Allowance for doubtful debts

**Total Trade receivables**

As at 31 March 2022	As at 31 March 2021
2,97,44,428	2,25,93,022
52,47,314	9,97,948
<b>3,49,91,742</b>	<b>2,35,90,970</b>
52,47,314	9,97,948
<b>2,97,44,428</b>	<b>2,25,93,022</b>
<b>Of the above, trade receivable from</b>	
- Related Parties	97,514
- Others	2,96,46,914
<b>2,97,44,428</b>	<b>2,25,93,022</b>

a) Trade receivables are non-interest bearing and are generally on credit terms .

Particulars	Outstanding for following periods from due date of payment as on 31.03.2022					
	Less than 6 months	6 months 1 year	1 to 2 years	2 to 3 years	Above 3 years	Total
(i)Undisputed Trade receivables – considered good	2,92,39,508.44	5,04,960.62	-	-	-	2,97,44,469.06
(ii)Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii)Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv)Disputed Trade Receivables – considered good	-	-	-	-	-	-
(v)Disputed Trade Receivables – which have significant increase in credit risk	-	7,32,971.95	23,53,347.33	21,60,954.99	-	52,47,274.27
(vi)Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
<b>Total Trade Receivable</b>	<b>2,92,39,508.44</b>	<b>12,37,932.57</b>	<b>23,53,347.33</b>	<b>21,60,954.99</b>	<b>-</b>	<b>3,49,91,743.33</b>
Less: Allowance for doubtful debts	-	7,32,971.95	23,53,347.33	21,60,954.99	-	52,47,274.27
<b>Net Trade Receivable</b>	<b>2,92,39,508.44</b>	<b>5,04,960.62</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,97,44,428.06</b>

**12 Cash and cash equivalent**

Cash in Hand

**Balances with banks:**

In current accounts

As at 31 March 2022	As at 31 March 2021
83,538	76,880
69,54,955	1,21,56,006
<b>70,38,493</b>	<b>1,22,32,886</b>

**13 Other Current assets**

Advances recoverable in cash or kind or for value to be received

Unsecured, considered good

Advances with Creditors

**Other Loans & Advances**

Balances with statutory / government authorities

Prepaid Expenses

As at 31 March 2022	As at 31 March 2021
51,73,175	-
9,92,30,115	5,34,23,556
5,83,757	8,23,061
<b>10,49,87,047</b>	<b>5,42,46,617</b>

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HERBOLAB INDIA PRIVATE LIMITED  
Notes to the financial statements  
(All amounts in ₹, unless other wise stated)

Note 8 Deferred tax assets (net)\*

	As at 31st March, 2022	As at 31st March, 2021
<b>Deferred tax asset arising on account of:</b>		
Business loss and unabsorbed depreciation		1,88,59,890
Provision for employee benefits		4,27,732
Provision for expenses		30,698
		<b>1,93,18,320</b>
<b>Deferred tax liability arising on account of:</b>		
Excess of tax depreciation over book depreciation		(51,773)
		<b>(51,773)</b>
Less : Reversal of deferred Tax		<b>(1,92,66,546)</b>



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HERBOLAB INDIA PRIVATE LIMITED  
Notes to the financial statements  
(All amounts in ₹, unless other wise stated)

	As at 31st March 22		As at 31 March 2021	
	Number	Amount	Number	Amount
14 Equity Share capital				
Authorised share capital				
Equity shares of ₹ 10 each	20,00,000	2,00,00,000	20,00,000	2,00,00,000
	<b>20,00,000</b>	<b>2,00,00,000</b>	<b>20,00,000</b>	<b>2,00,00,000</b>
Issued, subscribed (fully paid up)				
Equity shares of ₹ 10 each	19,39,380	1,93,93,800	16,44,108	1,64,41,080
Total issued, subscribed and fully paid share capital	<b>19,39,380</b>	<b>1,93,93,800</b>	<b>16,44,108</b>	<b>1,64,41,080</b>

a) Reconciliation of the equity shares outstanding at the beginning and at the end of reporting period

	As at 31st March 22		As at 31 March 2021	
	Number	Amount	Number	Amount
Equity shares				
At the beginning of the year	18,69,499	1,86,94,990	14,13,793	1,41,37,930
Add: Shares issued during the period	69,881	6,98,810	2,30,315	23,03,150
Less: Shares bought back during the period				
Balance at the end of the year	<b>19,39,380</b>	<b>1,93,93,800</b>	<b>16,44,108</b>	<b>1,64,41,080</b>

b) Rights, preferences and restrictions attached to shares

Equity shares

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

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

Shares held by promoter at the end of year

Shares held by promoter at the end of the year			As at 31st March 2022		As at 31st March 2021		% Change during the Year
Promoter Name	No. of Shares	% of Total Share	No. of Shares	% of Total Share	No. of Shares	% of Total Share	
RPSG Ventures Ltd	19,39,380	100	16,44,108	100%			0.00%

d) Details of shareholders holding more than 5% equity shares in the Company and equity shares held by the holding Company

Name of shareholder	As at 31st March 22		As at 31 March 2021	
	Number	% of holding	Number	% of holding
Equity shares				
RPSG Ventures Limited ( formerly known as CESC Ventures Limited )	19,39,380.00	100%	16,44,108	100%
	<b>19,39,380.00</b>	<b>100%</b>	<b>16,44,108</b>	<b>100%</b>

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



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**HERBOLAB INDIA PRIVATE LIMITED****Notes to the financial statements**

(All amounts in ₹, unless other wise stated)

15 Other Equity	As at 31 March 2022	As at 31 March 2021
Share Application money Pending Allotment		
<u>Reserves &amp; Surplus:</u>		
Securities premium Reserve	67,46,02,515	37,75,58,883
Retained Earnings	(60,17,29,843)	(35,73,27,809)
OCI Reserve	2,32,705	(2,99,586)
	<b>7,31,05,377</b>	<b>1,99,31,488</b>
<u>Nature and purpose of other reserves</u>		
15.(i) Securities premium reserve		

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act

**15.(ii) Retained earnings**

This Reserve represents the cumulative profits / (loss) of the Company. This Reserve can be utilized in accordance with the provisions of the Companies Act, 2013.

**15.(iii) Other comprehensive Income**

This Reserve represents the cumulative gains (net of losses) arising on Re- measurements gain/ (loss) on defined benefit plans through Other Comprehensive Income, net of amounts reclassified, if any, to Retained Earnings.



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**HERBOLAB INDIA PRIVATE LIMITED**  
**Notes to the financial statements**  
**(All amounts in ₹, unless other wise stated)**

	As at 31st March,2022	As at 31st March,2021
<b>16 Lease Liabilities</b>		
<b>(a) Non -current</b>		
Lease Liabilities	3,00,26,231	40,57,563
	<b>3,00,26,231</b>	<b>40,57,563</b>
<b>(a) Current</b>		
Lease Liabilities	41,81,089	25,85,323
	<b>41,81,089</b>	<b>25,85,323</b>
<b>17 Provisions</b>		
<b>(i) Non Current</b>		
<b>Provision for Expenses</b>		
Provision for employess benefits- Leave Encashment	13,99,184	
Provision for employess benefits- Gratuity	34,16,065	23,48,814
	<b>48,15,249</b>	<b>23,48,814</b>
<b>(ii) Current</b>		
Provision for employess benefits- Leave Encashment	8,328	5,24,100
Provision for employess benefits- Gratuity	13,400	7,972
	<b>21,728</b>	<b>5,32,072</b>
<b>18 Trade payables</b>		
	As at 31st March,2022	As at 31st March,2021
- Micro and small enterprises #	81,49,496	88,15,712
- Others*	4,61,64,070	6,46,56,254
	<b>5,43,13,566</b>	<b>7,34,71,966</b>

Particulars	Outstanding for the following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(1) MSME	63,98,172				63,98,172
(2) Others	4,61,64,321				4,61,64,321
(3) Disputed Dues - MSME	17,51,073				17,51,073
(4) Disputed Dues - Others					-
<b>Total</b>	<b>5,43,13,566</b>				<b>5,43,13,566</b>

<b>19 Other Financial Liabilities</b>		
<b>Current</b>		
Payable to employees	70,89,283	60,67,111
Interest Accrued	-	16,19,652
Share Application Money refundable		
	<b>70,89,283</b>	<b>76,86,763</b>
<b>20 Other current liabilities</b>		
	As at 31st March,2022	As at 31st March,2021
Advance from customers	60,65,199	39,21,072
Payable to statutory/government authorities	76,90,365	20,25,799
Other Current Liabilities	2,26,71,662	
	<b>3,64,27,226</b>	<b>59,46,871</b>

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HERBOLAB INDIA PRIVATE LIMITED  
Notes to the financial statements  
(All amounts in ₹, unless other wise stated)

	For the year ended 31st March,2022	For the year ended 31st March,2021
<b>21 Revenue from operations</b>		
Sale of Product	18,40,68,343	20,40,58,597
	<b>18,40,68,343</b>	<b>20,40,58,597</b>
<b>22 Other income</b>		
Gain on sale of current investment (Net)		2,12,679
Investment measured at FVTPL		-
Interest income from Bank Deposits		1,62,415
Exchange differences		76,655
Miscellaneous income	26,92,524	10,94,224
	<b>26,92,524</b>	<b>15,45,973</b>
<b>23 Cost of Material consumed</b>		
Opening stock	1,22,41,097	1,14,05,564
Add : Purchases (Net)	4,54,74,958	5,37,67,729
Less : Used for sampling and other purpose		-
Less : Closing stock	(1,35,72,116)	(1,22,41,097)
<b>Cost of Material Consumed</b>	<b>4,41,43,939</b>	<b>5,29,32,195</b>
<b>24 Purchases of Stock- in -trade</b>		
Finished Goods		-
		-
<b>25 Changes in inventories of finished goods, work in progress and stock in trade:</b>		
<b>Opening Inventory</b>		
Finished goods	1,50,71,837	46,77,841
Stock in trade		
<b>Closing Inventory</b>		
Finished goods	1,48,36,757	1,50,71,837
Stock in trade		
<b>(Increase) / decrease in Inventory</b>	<b>2,35,080</b>	<b>(1,03,93,996)</b>
<b>26 Employee benefits expense</b>		
Salaries, wages and Bonus	7,31,47,725	14,74,80,497
Contribution to provident and other fund	51,30,340	29,35,897
Employee Insurance Expenses	5,37,194	
Staff welfare expenses	7,38,531	6,62,794
	<b>7,95,53,790</b>	<b>15,10,79,188</b>
<b>27 Depreciation and amortisation expense</b>		
Depreciation on Property, Plant & equipment	9,60,956	8,91,298
Amortisation of intangible assets	63,317	31,524
Depreciation on right-of-use assets	44,34,636	27,14,885
	<b>54,58,909</b>	<b>36,37,707</b>
<b>28 Finance Costs</b>		
Interest on:		
Rupee Loans		54,51,125
Lease Liability	23,09,460	7,43,590
Gratuity	-	86,631
Others	61,417	1,42,736
	<b>23,70,877</b>	<b>64,24,082</b>



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HERBOLAB INDIA PRIVATE LIMITED  
Notes to the financial statements  
(All amounts in ₹, unless other wise stated)

	For the year ended 31st March,2022	For the year ended 31st March,2021
<b>29 Other expenses</b>		
Carriage,Freight and distribution expenses	3,74,01,827	5,60,98,840
Factory related expenses	89,33,158	75,92,444
Repair & Maintenance	7,52,491	26,21,743
Advertisement & Promotion expenses	22,99,26,528	21,22,74,373
Legal & Professional fees	73,23,647	61,92,640
<b>Payment to auditors</b>	-	-
- For Audit Fees	2,00,000	2,00,000
- For other services	75,000	-
Travelling, Boarding & Lodging	-	-
Rent	23,41,381	17,16,818
Provision for doubtful debts	42,49,366	9,97,948
Misc Expenses	81,96,911	99,05,423
	<b>29,94,00,308</b>	<b>29,76,00,230</b>



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Note 30 Employee Benefit

1) Post Retirement Benefits - Defined Contribution Plan

Benefit (contribution to)	For the year ended 31-Mar-22	For the year ended 31-Mar-21
Provident fund	27,45,288	15,93,550
ESIC Employer	1,40,958	1,36,837
<b>Total Included in "Employees Benefit Expenses"</b>	<b>28,86,246</b>	<b>17,30,387</b>

2) Post Retirement Benefits - Defined Benefits Plan

Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service is entitled to Gratuity on terms not less favourable than the provisions of the Payment of Gratuity Act, 1972

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation are as follows:

	For the year ended 31-Mar-22	For the year ended 31-Mar-21
<b>(i) Reconciliation of present value of defined benefit obligations</b>		
Balance at the beginning of the year	23,56,786	16,45,122
Current service cost	14,33,160	10,47,565
Interest cost	1,71,810	86,631
Actuarial (gain)/loss arising from assumption changes	(3,08,420)	80,372
Actuarial (gain)/loss arising from experience adjustments	(2,23,871)	4,22,407
Benefits Paid	-	(7,64,567)
<b>Balance at the end of the year</b>	<b>34,29,465</b>	<b>23,56,786</b>
<b>(ii) Reconciliation of present value of leave encashment</b>		
Balance at the beginning of the year	5,24,100.00	-
Current service cost	6,80,929.00	-
Interest cost	-	-
Actuarial (gain)/loss arising from assumption changes	-	-
Actuarial (gain)/loss arising from experience adjustments	6,77,763.00	-
Benefits Paid	(4,75,361)	-
<b>Balance at the end of the year</b>	<b>14,07,431</b>	<b>-</b>
<b>(iii) Reconciliation of fair value of plan assets</b>		
Balance at the beginning of the year	-	-
Interest Income on Plan Assets	-	-
Contribution by employer	-	-
Expected return on plan assets	-	-
Actuarial (gains) / loss	-	-
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>
<b>(iii) Net defined benefit liabilities / (assets)</b>		
Present value obligation as at the end of the year	48,36,896	23,56,786
Fair value of plan assets as at the end of the year	-	-
<b>Net liabilities recognized in balance sheet</b>	<b>48,36,896</b>	<b>23,56,786</b>
<b>(iv) Expense recognised in Statement of Profit or Loss</b>		
<b>Employee benefit expenses:</b>		
- Service cost	21,14,089	10,47,565
- Interest costs	1,71,810	-
<b>Net impact on profit before tax</b>	<b>22,85,899</b>	<b>10,47,565.00</b>
<b>(v) Remeasurement recognised in Other Comprehensive Income</b>		
Actuarial (gain)/loss arising from assumption changes	(3,08,420)	(80,372.00)
Actuarial (gain)/loss arising from experience adjustments	(2,23,871)	4,22,407.00
<b>Remeasurement losses / (gains) in other comprehensive income</b>	<b>(5,32,291.00)</b>	<b>3,42,035.00</b>
<b>(vi) With the objective of presenting plan assets and obligations of the defined benefit plans at their fair value at Balance Sheet date, assumptions used under Ind AS 19 are set by reference to market conditions at the valuation date.</b>		
<b>Particulars</b>	<b>Year ended 31 March 2022</b>	<b>Year ended 31 March 2021</b>
Discount rate (per annum)	7.29%	6.86%
Expected rate of return on plan assets	NA	NA
Salary escalation rate (per annum)	10%	10%
Withdrawal rate (per annum)	15%	15%
Expected average remaining working lives of employees (years)	27	30
Mortality	IALM 2012-2014 ULTIMATE	IALM 2006 - 2008 Ultimate





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

(ix) Sensitivity Analysis: Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by the amounts shown below:

	Year ended		Year ended	
	Increase	Decrease	Increase	Decrease
(i) Discount Rate (0.5% Movement)	31,10,765	37,91,411	21,26,882	26,20,063
(ii) Future Salary (0.5% Movement)	37,79,168	31,17,727	26,10,117	21,32,679
(iii) Mortality Rate(10% Movement)	34,24,012	34,34,952	23,52,167	23,61,429
(iv) Attrition Rate (0.5% Movement)	33,93,113	34,66,400	23,28,717	23,85,327

(x). Assets and Liabilities relating to employee defined benefits - Estimated future payments of undiscounted gratuity is as follows:

	Year ended 31 March 2022	Year ended 31 March 2021
Within 12 months	13880	8,241
Between 2 and 5 years	2,64,831	49,071
Between 6 and 10 years	12,72,303	11,32,273
Beyond 10 years	1,77,14,693	1,19,68,741

3). Aforesaid defined benefit plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's investments.
Longevity risk	The present value of the defined benefit liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit liability is calculated by reference to the future salaries of plan participants. As such, an increase in salary of the plan participants will increase the plan's liability.



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**Note 31: Related Party Disclosures**

(A) Related parties (where transactions have taken place during the year or previous year / balances outstanding):

Names of related parties and related party relationship

Holding company

RPSG Ventures Limited RPSG Ventures Limited (formerly known as CESC Ventures Limited)

Jointly controlled entities of promoters - Promoter Group

Guiltfree Industries Limited  
Spencers Retail Limited  
Natures Basket Limited

Key Management Personnel

Gopal Rathi	
Srikanta Ramachandra Murthy Gopishetty	
Robit Garg	
Rajeev Ramesh Chand Khundelwal	
Gaun Malhotra	w.e.f from 02.08.2021

(B) Details of transactions entered into with the related parties :

Particulars	Holding Company		Jointly controlled entities of promoters - Promoter Group		Key Management Personnel		Directors & Relatives of KMP		Total	
	Transaction Value	Balance Outstanding	Transaction Value	Balance Outstanding	Transaction Value	Balance Outstanding	Transaction Value	Balance Outstanding	Transaction Value	Balance Outstanding
<b>Sales of Goods</b>										
Spencer's Retail Limited										
Natures Basket Limited										
<b>Expenses</b>										
Guiltfree Industries Limited			48,85,223	(1,16,800)					48,85,223	(1,16,800)
RPSG Sports Private Limited			7,14,286	7,14,286					7,14,286	7,14,286
<b>Share application money Received</b>										
RPSG Ventures Limited (formerly known as CESC Ventures Limited)	29,99,96,392								29,99,96,392	
<b>Share application converted to Share capital</b>										
RPSG Ventures Limited (formerly known as CESC Ventures Limited)	(29,99,96,392)								(29,99,96,392)	
<b>Charge Issued (includes premium)</b>										
RPSG Ventures Limited (formerly known as CESC Ventures Limited)	29,52,720								29,52,720	
RPSG Ventures Limited (formerly known as CESC Ventures Limited)	29,99,96,392								29,99,96,392	

Note 31 (B), (C) Key Managerial Personnel are entitled to post-employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are provided on the basis of actuarial valuation as a Company as a whole, thus the same is not included above.

Note 31 (B), (C) Figure disclosed above in bracket are related to Previous year.



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32	<b>Contingent liabilities and Capital commitments</b>	<b>For the year ended 31-Mar-22</b>	<b>For the year ended 31-Mar-21</b>
	<b>(i) Contingent liabilities:</b>		
	Capital expenditure remaining to be executed	2,90,00,000	-
	Less: Already executed in CWIP	1,26,45,102	-
	<b>Net Contingent Liability</b>	<b>1,63,54,898</b>	<b>-</b>
33	<b>Tax expenses</b>	<b>For the year ended 31-Mar-22</b>	<b>For the year ended 31-Mar-21</b>
	<b>A. Amount recognised in Statement of Profit &amp; Loss</b>		
	Current tax	-	-
	Deferred tax:		
	- Deferred tax (credit)/ charge	-	1,92,66,546
	Short / ( excess) Provision	-	-
	<b>Tax Expense/ (credit)</b>	<b>-</b>	<b>1,92,66,546</b>
	<b>B. Amount recognised in Other Comprehensive Income</b>		
	Current tax	-	-
	Deferred tax:		
	- Deferred tax (credit)/ charge	-	-
	<b>Tax Expense/ (credit) relating to OCI Items</b>	<b>-</b>	<b>-</b>
33(a)	<b>Reconciliation of tax expense between accounting profit at applicable tax rate and effective tax rate:</b>		
	Accounting Loss before tax	(24,44,02,037)	(29,56,74,834)
	Enacted tax rates in India (%)	26.00%	26.00%
	Computed expected tax expense	-	-
	Tax impact of Impact of Others adjustment	-	1,92,66,546
	<b>Income tax expense reported in Statement of Profit and Loss</b>	<b>-</b>	<b>1,92,66,546</b>
33(b)	<b>Details of income tax assets / (liabilities)</b>		
	<b>Non-current:</b>		
	Advance tax paid	-	-
	Income Tax Refundable	4,81,359	2,31,160
		<b>4,81,359</b>	<b>2,31,160</b>
	<b>Current:</b>		
	Income Tax Refundable	-	-
	Current income tax liabilities	-	-
	<b>Net income tax assets / (liabilities)</b>	<b>-</b>	<b>-</b>

Note: Deferred Tax Asset/(Liability) Is not recognised as company does not expect any profits in foreseeable future.

#### 34 Segmental information

The Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by industry classes.

The operating segment of the Company is identified to be "manufacturing and distribution of Ayurvedic medicines" as the CODM reviews business performance at an overall

#### 35 1. Capital management

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximizing the return to shareholders through the optimization of debt and equity balance. Barring overdraft facilities and term loan being used, company has no outstanding debt.

The company's Board reviews the capital structure of the company on need basis. As part of this review board evaluates the leverage in company and assesses of cost of capital.

#### 2. Financial risk management

##### (a) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans given. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivables. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors. Adequate provisions are kept in books for any doubtful receivables and advances.

##### Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. The Company limits its exposure to credit risk from trade receivables by establishing a maximum payment period of three months for customer. In monitoring customer credit risk, customers are grouped according to their credit characteristics. The Company's exposure to credit risk for trade receivables by geographic region is as follows

Particulars	As at 31 March 2022	As at 31 March 2021
Trade receivables		
- Domestic	2,72,08,597	2,25,93,022
- Export	25,35,831	96,209
	<b>2,97,44,428</b>	<b>2,26,89,231</b>

Trade receivables are usually due within 30-90 days. Generally and by practice most customers enjoy a credit period of approximately 30-90 days and are not interest bearing, which is the normal industry practice.



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(b) 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, that it will always have sufficient liquidity to meet its liabilities when due. The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by the senior management.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2021 and 31 March 2020

Particulars	Carrying amount	Contractual cash flows		
		Less than 1 year	1-5 years	More than 5 years
<b>As at 31 March 2022</b>				
<b>Financial Liabilities</b>				
Trade payables	5,43,13,566	5,43,13,566	-	-
Lease Liabilities	3,42,07,509	41,81,178	3,00,26,331.00	-
Other financial liability	70,89,283	70,89,283	-	-
	<b>9,56,10,358</b>	<b>6,55,84,027</b>	<b>3,00,26,331</b>	<b>-</b>
<b>As at 31 March 2021</b>				
<b>Current Financial Liabilities</b>				
Trade payables	7,34,71,966	7,34,71,966	-	-
Lease Liabilities	66,42,886	25,85,323	40,57,563.00	-
Other financial liability	76,86,763	76,86,763	-	-
	<b>8,78,01,615</b>	<b>8,37,44,052</b>	<b>40,57,563</b>	<b>-</b>

(c) 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. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(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's exposure to risk of change in Interest rate is significant.

(ii) Price risk

The Company does not have any significant investments in equity instruments which create an exposure to price risk.

(iii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company exposure to the risk of changes in foreign exchange rates relates primarily to the Company's receivables and payables due to transactions entered in foreign currencies.

The summary quantitative data about the Company's gross exposure to currency risk is as follows:

Particulars	Currency	As at 31 March 2022	As at 31 March 2021
Trade receivables - Export receivables	INR	25,35,831	96,209
		<b>25,35,831</b>	<b>96,209</b>

Sensitivity analysis

The impact of strengthening/weakening of currency on the Company is not material.

3. a) Financial instruments - fair values management and risk management

Category-wise classification of financial instruments including their levels in the fair value hierarchy.

Financial assets and liabilities	Amortised cost	Cost	FVTPL
<b>As at 31.03.2022</b>			
<b>(I). Financial assets</b>			
Investments	-	1,05,000	-
- Equity shares	-	-	-
Trade receivables	2,97,44,428	-	-
Cash and cash equivalents	70,38,493	-	-
Other financial assets	45,67,447	-	-
<b>Total financial assets</b>	<b>4,13,50,368</b>	<b>1,05,000</b>	<b>-</b>
<b>(II). Financial liabilities</b>			
Trade payables	5,43,13,566	-	-
Lease Liabilities	3,42,07,509	-	-
Other financial liability	70,89,283	-	-
<b>Total financial liabilities</b>	<b>9,56,10,358</b>	<b>-</b>	<b>-</b>
<b>As at 31.03.2021</b>			
<b>(I). Financial assets</b>			
Investments	-	1,05,000	-
- Equity shares	-	-	-
Trade receivables	2,25,93,022	-	-
Cash and cash equivalents	1,22,32,886	-	-
Other financial assets	5,06,947	-	-
<b>Total financial assets</b>	<b>3,53,32,855</b>	<b>1,05,000</b>	<b>-</b>
<b>(II). Financial liabilities</b>			
Trade payables	7,34,71,966	-	-
Lease Liabilities	66,42,886	-	-
Other financial liability	76,86,763	-	-
<b>Total financial liabilities</b>	<b>8,78,01,615</b>	<b>-</b>	<b>-</b>





## 3. b) The following methods and assumptions were used to estimate the fair values:-

(ii) The carrying amount of cash and cash equivalents is considered to be the same as their fair values, due to their short term nature.

(iii) Miscellaneous receivables/payables where carrying amount is reasonable approximation of fair value as settlement period cannot be reliably measured.

(iv) Considering the nature, risk profile and other qualitative factors of the financial instruments of the Company, the carrying amounts will be the reasonable approximation of the fair value.

- 36 Effect of adoption of Ind AS 116, Right-of-use assets includes additions of Rs 3,09,33,02, depreciation of Rs 44,34,634 and closing balance for the year ended 31.03.2022 amounting to Rs 3,42,08,610

Lease Liability as on 01/04/2021	66,42,886.00
Add : Additions during the year	3,09,55,502
Add : Finance cost during the year	19,84,502.58
Less : Payment during year ( includes Interest Rs 7,43,590)	53,74,281
Lease Liability as on 31/03/2022	<u>3,42,08,610</u>

Future minimum lease payments during next one year 41,25,347, later than one year but not later than five years 3,00,82,063 applying 9.75% as weighted average incremental borrowing rate.



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# Leases

(i) Transition:

Effective from Apr 1, 2020, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on Apr 1, 2020 using the "modified retrospective approach". Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset equivalent to the value of the lease liability as its carrying amount at the date of initial application. Comparatives as at and for the year ended Mar 31, 2020 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of the financial statements for the year ended Mar 31, 2020.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of ₹ 88,62,016 and a lease liability of ₹ 88,62,016. The effect of this adoption is insignificant on the loss before tax, loss for the period and earnings per share. Ind AS 116 will result in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments. The following is the summary of practical expedients elected on initial application:

- (i). Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- (ii). Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- (iii). Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2020 is 9.75%

(ii) The table below provides details regarding the contractual maturities of net investment in ROU asset as at March 31, 2022 on an undiscounted basis:

Particulars	Less than 1 year	1-5 years	More than 5 years
Lease payable	₹ 41,81,089.00	₹ 3,00,26,231.00	-



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38 Earning per share (EPS)

Basic EPS 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 EPS amounts are calculated by dividing the profit attributable to equity holders 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.

The following reflects the profit/loss and share data used in the basic and diluted EPS computations:

	As At 31 March 2022	As At 31 March 2021
Net profit/loss attributable to equity shareholders (₹)	(24,44,02,037)	(31,49,41,380)
Opening number of shares	16,44,108	14,13,793
Number of days	365	365
Additions during the period	27,559	2,30,315
Number of days	337	2
Additions during the period	29,527	
Number of days	274	
Additions during the period	17,716	
Number of days	187	
Additions during the period	19,685	
Number of days	215	
Additions during the period	25,590	
Number of days	157	
Additions during the period	1,05,314	
Number of days	90	
Additions during the period	69,881	
Number of days	-	
Weighted average number of equity shares in calculating basic and diluted EPS	17,49,365	14,15,055
Nominal value of equity share (₹)	10	10
Basic and diluted earning per share (₹)	(139.71)	(222.56)

39 Prior period comparatives

Previous year figures have been regrouped/reclassified wherever necessary to correspond with current year classification/disclosure.



*QMY A*