



To the Members of
LR Research Laboratories Private Limited
Report on the Audit of the Standalone Financial Statements

Opinion

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

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

Basis for Opinion

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

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

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

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



In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for Standalone Financial Statements

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

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

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

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

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

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



- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the 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 upto the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

1. As required by section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the balance sheet, the statement of profit and loss, the statement of changes in equity and the cash flow statement dealt by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rules made thereunder and in force for the time being;
 - e. on the basis of the written representations received from the directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of Section 164 (2) of the Act;
 - f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The company did not, as at March 31, 2020, have any material foreseeable losses relating to long term contracts including derivative contracts.
 - iii. There are no amounts which were required to be transferred to the Investor Education and Protection Fund during the year ended March 31, 2020.

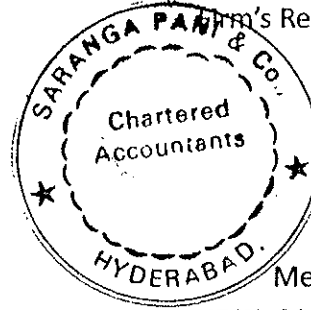
SARANGA PANI & CO
CHARTERED ACCOUNTANTS



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

For Saranga Pani & Co
Chartered Accountants



Proprietor's Registration No.0500305

[Handwritten Signature]
C SarangaPani
Proprietor

Membership No. 073178

UDIN: 20073178AAAAHD7369

Hyderabad,
June 25, 2020

SARANGA PANI & CO

CHARTERED ACCOUNTANTS



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Annexure A to the Independent Auditor's report (referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of LR Research Laboratories Private Limited of even date)

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

We have audited the internal financial controls over financial reporting of LR Research Laboratories Private Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

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



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

Meaning of Internal Financial Controls over Financial Reporting

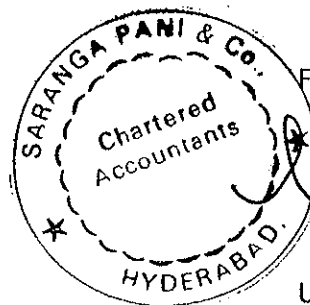
A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles, A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.



For Saranga Pani & Co
Chartered Accountants

Firm's Registration No.0500305


C Saranga Pani
Proprietor
Membership No. 073178
UDIN: 20073178AAAAHD7369



Annexure B to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of LR Research Laboratories Private Limited.

- i) According to the information and explanations given to us, the Company does not hold any fixed assets. Hence reporting under clause (i) (a), (b) and (c) of paragraph 3 of the Companies (Auditor's Report) Order 2016, does not arise for the year under report.
- ii) According to the information and explanations given to us, the Company does not held any inventory during the year. Hence reporting under clause (ii) of paragraph 3 of the Companies (Auditor's Report) Order 2016, does not arise for the year under report.
- iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act 2013. Hence reporting under Clause (iii) (a), (b) and (c) of paragraph 3 of the Companies (Auditor's Report) Order 2016, does not arise for the year under report.
- iv) According to the information and explanations given to us, the Company has not made any investments, nor granted any loans, guarantees or provided any security against loan to others, to which the provisions of section 185 and 186 of the Companies Act, 2013 apply.
- v) According to the information and explanations given to us, the Company has not accepted any deposits from the public during the year.
- vi) According to the information and explanations given to us, the Company is not required to maintain the cost records as prescribed by central government under sub section (1) of Section 148 of the Companies Act, 2013. Hence reporting under Clause (VI) of paragraph 3 of the Companies (Auditor's Report) Order 2016, does not arise for the year under report.
- vii) (a) According to the information and explanations given to us, the company has been generally regular in depositing the undisputed statutory dues in respect of Income Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other statutory dues with the appropriate authorities, and there were no such amounts outstanding as at 31st March 2020 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Income Tax, Wealth Tax, Value Added Tax, Customs Duty, Service Tax, Excise Duty or Cess, which have not been deposited on account of their being disputed by the company, as at 31st March 2020.
- viii) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank.

SARANGA PANI & CO
CHARTERED ACCOUNTANTS

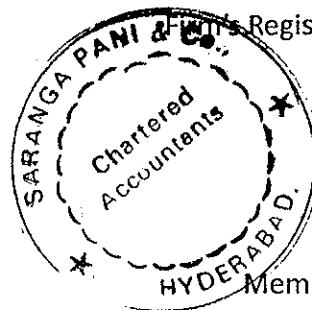


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- x) According to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
- x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year under audit.
- xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided for any managerial remuneration during the year
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, reporting under paragraph 3(xii) of the Order does not arise.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS Financial Statements as required by the applicable accounting standards.
- xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For Saranga Pani & Co
Chartered Accountants

Registration No.0500305



C Saranga Pani
Proprietor

Membership No. 073178
UDIN: 20073178AAAAHD7369

Hyderabad,
June 25, 2020

LR Research Laboratories Private Limited

Balance Sheet as at 31 March 2020

(₹ in Lakhs)

Particulars		Note	As at 31 March 2020	As at 31 March 2019
I	ASSETS			
1	Current Assets			
	(a) Financial Assets			
	(i) Trade Receivables	3	0.59	-
	(ii) Cash & Cash Equivalents	4	4.94	3.58
	(b) Current Tax Assets	5	3.55	12.45
	Total Current Assets		9.08	16.03
	Total Assets		9.08	16.03
II	EQUITY & LIABILITIES			
1	Equity			
	(a) Equity Share Capital	6.1	1.00	1.00
	(b) Other Equity	6.2	(5.03)	(5.32)
	Total Equity		(4.03)	(4.32)
2	Current Liabilities			
	(a) Financial Liabilities			
	(i) Trade Payables	7	11.82	17.87
	(ii) Other Financial Liabilities	8	-	-
	(b) Other Current Liabilities	9	1.29	2.48
	(c) Provisions	10	-	-
	Total Current Liabilities		13.11	20.35
	Total Equity & Liabilities		9.08	16.03

See accompanying notes forming part of financial statements

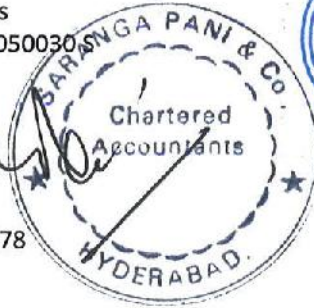
In terms of our report attached

For and on behalf of the Board of Directors

For SARANGA PANI & CO
Chartered Accountants
Firm Registration No: 050030

C. S. Pani
Proprietor
Membership No: 073178

Place: Hyderabad
Date: June 25, 2020



Harish Chandra Bijwan
Director
(DIN: 03149388)

Place: Hyderabad
Date: June 25, 2020

M Pavan Kumar
Director
(DIN: 01514557)

Statement of Profit & Loss Account for the Nine months ended 31 March 2020

(₹ in Lakhs)

Particulars		Note	For the period ended 31 March 2020	For the year ended 31 March 2019
I	Income			
	Revenue from Operations	11	37.35	61.80
	Other Income	12	0.64	0.27
	Total Income		37.99	62.07
II	Expenses			
	Employee Benefit Expenses	13	37.23	60.93
	Finance Costs	14	-	0.01
	Other Expenses	15	0.42	0.40
	Total Expenses		37.65	61.34
III	Profit / (Loss) before Exceptional Items and tax		0.34	0.73
IV	Exceptional Items		-	-
V	Profit / (Loss) before tax from continuing operations		0.34	0.73
VI	Tax Expense			
	Current Tax		0.05	0.14
	Total Tax Expense		0.05	0.14
VII	Profit / (Loss) for the year (V - VI)		0.29	0.59
VIII	Other Comprehensive Income		-	-
IX	Total Comprehensive Income for the year (VII + VIII)		0.29	0.59
X	Earnings per Equity Share of ₹ 10 each	15		
	Basic ₹		2.90	5.90
	Diluted ₹		2.90	5.90
	Weighted average equity shares (Number)			
	Basic		10,000	10,000
	Diluted		10,000	10,000

See accompanying notes forming part of financial statements

For In terms of our report attached

For and on behalf of the Board of Directors

For SARANGA PANI & CO

Chartered Accountants

Firm Registration No: 050030 S

C. S. Pani

Proprietor

Membership No: 073178

Place: Hyderabad

Date: June 25, 2020



Harish Chandra Bijlwan

Director

(DIN: 03149388)

Place: Hyderabad

Date: June 25, 2020

M Pavan Kumar

Director

(DIN: 01514557)

LR Research Laboratories Private Limited

Cash Flow Statement for the year ended 31 March 2020

(₹ in Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Cash flow from operating activities		
Profit / (Loss) before tax	0.34	0.73
Changes in working capital:		
Trade receivables	(0.59)	-
Trade payables	(6.05)	4.37
Other current liabilities	(1.19)	(1.73)
Provisions	-	-
Cash generated from operations	(7.49)	3.37
Direct taxes paid	(8.85)	2.75
Net cash flow from operating activities (A)	1.36	0.62
Cash flow from investing activities (B)	-	-
Cash flow from financing activities (C)	-	-
Net Increase / (decrease) in cash and cash equivalents (A + B + C)	1.36	0.62
Cash and cash equivalents at the beginning of the year	3.58	2.96
Cash and cash equivalents at the end of the year	4.94	3.58

See accompanying notes forming part of financial statements

In terms of our report attached

For and on behalf of the Board of Directors

For SARANGA PANI & CO
Chartered Accountants
Firm Registration No: 050030 S

C. S. Pani
Proprietor
Membership No: 073178

Place: Hyderabad
Date: June 25, 2020



Harish Chandra Bijlwan
Director
(DIN: 03149388)

Place: Hyderabad
Date: June 25, 2020

M Pavan Kumar
Director
(DIN: 01514557)

Notes to financial statements

1 General information

LR Research Laboratories Private Limited is established to promote, run, maintain research and development laboratories and conduct supportive research for ongoing commercial activities in relation to agrochemicals of all kinds.

2 Significant accounting policies

2.1 Statement of compliance

The standalone financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

2.2 Basis for preparation and presentation

The standalone financial statements have been prepared on the historical cost basis and on accrual basis. The principal accounting policies are set out below:

2.3 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods. Revenue from the sale of goods is recognised at the point in time when control is transferred to the customer which is usually on delivery. Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, rebates, scheme allowances, price concessions, incentives, and returns, if any, as specified in the contracts with the customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discounts/incentives and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and agreements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

Interest Income

Interest income from financial assets is recognised when it is probable that economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition.

2.4 Taxation

Income tax comprises current and deferred tax. It is recognised in profit and loss account except to the extent it related to business combinations or to an item recognised directly in equity or other comprehensive income.

i. Current Tax

Current tax is determined as the amount of tax payable in respect of taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961.

ii. Deferred tax

Deferred tax is recognised for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax liability is not recognised for:

- Temporary differences arising on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- Temporary differences related to investment in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets - unrecognized or recognised are reviewed at each reporting date and are recognised/reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

Deferred tax assets and deferred tax liabilities are offset only if there is a legally enforceable right to set off the current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities, but they intend to settle

2.5 Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.



2.6 Provisions, contingent liabilities and contingent assets

Provisions are recognised only when there is a present obligation as a result of past events and when a reasonable estimate of the amount of obligation can be made. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Contingent liabilities are disclosed for (i) possible obligation which will be confirmed only by future events not wholly within the control of the Company or (ii) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are neither recognised nor disclosed in the financial statements.

2.7 Cash and cash equivalents

Cash comprises cash on hand and in bank. The Company considers all highly liquid financial instruments, which are readily convertible into cash and have original maturities of three months or less from the date of purchase, to be cash equivalents. Such cash equivalents are subject to insignificant risk of changes in value.

Cash flows are reported using indirect method, whereby profit before tax is adjusted for the effects of transaction of non - cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.



LR Research Laboratories Private Limited

Notes to the Financial Statements

3. Trade Receivable

(₹ in Lakhs)

Particulars	As at 31 March 2020	As at 31 March 2019
Trade Receivable	0.59	-
Total	0.59	-

4. Cash and Cash Equivalents

Particulars	As at 31 March 2020	As at 31 March 2019
Balances with banks <i>In Current Accounts</i> Rupee accounts	4.94	3.58
Total	4.94	3.58

5. Current Tax Asset/(Liability)

Particulars	As at 31 March 2020	As at 31 March 2019
TDS Receivable	3.74	12.59
Less: Provision for Taxation	0.19	0.14
Total	3.55	12.45



LR Research Laboratories Private Limited
Notes to the Financial Statements

7. Trade Payables

Particulars	As at 31 March 2020	As at 31 March 2019
MSMED Vendors	-	-
Others	11.82	17.87
Total	11.82	17.87

8. Other Financial Liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
Other financial liabilities	-	-
Total	-	-

9. Other Current Liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
Statutory Payable	1.29	2.48
Total	1.29	2.48

10. Provisions

Particulars	As at 31 March 2020	As at 31 March 2019
Other Provisions	-	-
Total	-	-



Notes to the Financial Statements

6.1 Equity Share Capital

(₹ in Lakhs)

Particulars	As at 31 March 2020		As at 31 March 2019	
	No. of Shares	Amount	No. of Shares	Amount
Authorised Share Capital				
50,000 Equity shares of ₹ 10 each (2019: 50,000 and 2018: 50,000 equity shares of ₹ 10 each)	50,000	5.00	50,000	5.00
Issued, subscribed and fully paid-up				
10,000 Equity shares of ₹ 10 each (2019: 10,000 and 2018: 10,000 equity shares of ₹ 10 each)	10,000	1.00	10,000	1.00
Total	10,000	1.00	10,000	1.00

a. Reconciliation of Share Capital

Particulars	As at 31 March 2020		As at 31 March 2019	
	No. of Shares	Amount	No. of Shares	Amount
Share Capital at the beginning of the year	10,000	1.00	10,000	1.00
Add: Additions	-	-	-	-
Share Capital at the end of the year	10,000	1.00	10,000	1.00

b. Shares in the Company held by the Holding Company and Other Shareholders holding more than 5%

Particulars	As at 31 March 2020		As at 31 March 2019	
	% of Shareholding	No. of Shares	% of Shareholding	No. of Shares
NACL Industries Limited (Holding Company)	100.00%	10,000	100.00%	10,000

6.2 Other equity

Particulars	As at 31 March 2020	As at 31 March 2019
Retained earnings		
Opening balance	(5.32)	(5.91)
Net Profit/(Loss) For the current year	0.29	0.59
Closing Balance	(5.03)	(5.32)



LR Research Laboratories Private Limited

Notes to the Financial Statements

11. Revenue from operations (₹ in Lakhs)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Service income	37.35	61.80
Total	37.35	61.80

12. Other income

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest income	0.64	0.27
Total	0.64	0.27

13. Employee Benefit Expenses

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries, Wages and Bonus	37.23	60.93
Total	37.23	60.93

Note:

The employees of the Company have been granted stock options of the holding company, NACL Industries Limited (NACL), as per the Employee Stock Option Scheme 2015 (ESOS 2015). The options are managed and administered by NACL and are granted under ESOS 2015 approved by its shareholders. Stock option awards are granted with an exercise price of ₹ 8 each. Stock options generally become exercisable over periods ranging from one to five years and generally expire in two years.

Reconciliation of stock options	Number of stock options
As at March 31, 2018	31,500
Granted during the year	-
Expired/forfeited during the period	-
Exercised during the year	10,500
As at March 31, 2019	21,000
Granted during the year	-
Expired/forfeited during the period	-
Exercised during the year	10,500
As at March 31, 2020	10,500

The cost incurred by NACL during the FY 2019-20 in respect of the options granted is ₹ 1.86 lakhs.

14. Finance Cost

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Bank Charges	-	0.01
Total	-	0.01

15. Other Expenses

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Audit Fee	0.25	0.25
Rates and Taxes	0.17	0.15
Total	0.42	0.40



LR Research Laboratories Private Limited

Notes to the Financial Statements

Particulars		For the year ended 31st March 2020	For the year ended 31st March 2019
16	Earnings per share		
	i) Profit / (loss) after tax (₹ in lakhs) (a)	0.29	0.59
	ii) Weighted average number of equity shares of ₹ 10 each outstanding during the year		
	Basic (b)	10,000	10,000
	Diluted (c)	10,000	10,000
	iii) Earnings per share (face value of ₹ 10 each)		
	Basic [a] / [b] (₹)	2.90	5.90
	Diluted [a] / [c] (₹)	2.90	5.90
17	Commitments & Contingent liabilities		
	a) Claims against the company not acknowledged as debt	NIL	NIL
	b) Commitments	NIL	NIL
18	Related party disclosures		
	A) Names of the related parties and their relationship:		
	NACL Industries Limited - relationship "Holding Company"		
	B) Transactions during the year		
	Consultancy charges (₹ in lakhs)	37.35	61.80
	C) Outstanding balances as at the end of the year		
	Trade payables (₹ in lakhs)	-	7.20
	Trade receivable (₹ in lakhs)	0.59	-
19	Payment to Auditors		
	Audit fees * (₹ in lakhs)	0.25	0.25
	* Amounts given above excludes taxes		
20	Figures are rounded off to nearest thousands.		

Signature to notes 1 to 20

In terms of our report attached

For SARANGA PANI & CO

Chartered Accountants

Firm Registration No: 050039S

C. S. Pani
Proprietor

Membership No: 073178

Place: Hyderabad

Date: June 25, 2020



Harish Chandra Bijlwan
Director
(DIN: 03149388)

M Pavan Kumar
Director
(DIN: 01514557)

Place: Hyderabad

Date: June 25, 2020