



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF "LR Research Laboratories Private Limited"

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of "LR Research Laboratories Private Limited" ("the Company"), which comprise the Balance Sheet as at 31st March, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date, and notes to the standalone financial statements, including a summary of 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 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 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 ethical 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 Board's Report including Annexures to Board's Report 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.

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

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

- (a) 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.



- (b) Obtain an understanding of internal financial controls 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.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) 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 standalone 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.
- (e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.



- (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, Statement of Changes in Equity and the Cash Flow Statement dealt with 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.
- (e) On the basis of the 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.
- (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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (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 Auditors) 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 in its standalone financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There are no amounts which were required to be transferred to the Investor Education and Protection Fund during the year ended 31st March, 2022.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) 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 or entity, including foreign entity ("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 any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company 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 Party



("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) The Company has not declared or paid any dividend during the year in accordance with Section 123 of the Companies Act, 2013.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure B" statement on the matters specified in paragraphs 3 and 4 of the Order.

For SARANGA PANI & CO

Chartered Accountants

Firm Registration No: 050030 S



C. S. Pani

Proprietor

Membership No: 073178

UDIN: 22073178AMDYHQ3510

Place: Hyderabad

Date: 15-06-2022

Annexure A to the Auditors' Report

(Referred to in paragraph 1 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 Over Financial Reporting 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 31st March 2022 in conjunction with our audit of the standalone Ind AS 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 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 judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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



Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone 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:

- (a) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (b) 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
- (c) 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, to the best of our information and according to the explanations given to us, 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 31st March, 2022, 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 Registration No: 050030 S

C. S. Pani

Proprietor

Membership No: 073178

UDIN: 22073178AMDYHQ3510



Place: Hyderabad

Date: 15-06-2022

Annexure B to the Independent Auditors' Report

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

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - (a)
 - A. The Company does not hold any Property, Plant and Equipment (including right-of-use assets).
 - B. The Company does not have any Intangible Assets. Accordingly, clause 3(i)(a)(B) of the Order is not applicable.
 - (b) The Company does not have any Property, Plant and Equipment (including right-of-use assets). Accordingly, clause 3(i)(b) of the Order is not applicable.
 - (c) The Company does not have any immovable properties. Accordingly, clause 3(i)(c) of the Order is not applicable.
 - (d) The Company has not revalued its Property, Plant and Equipment (including right-of-use assets) during the year. Accordingly, clause 3(i)(d) of the Order is not applicable.
 - (e) There are no proceedings which have been initiated during the year or are pending against the Company as at 31st March, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii.
 - (a) The Company does not have any inventory. Accordingly, clause 3(ii)(a) of the Order is not applicable.
 - (b) The Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate at any points of time during the year, from banks or financial institutions on the basis of the security of current assets. Accordingly, clause 3(ii)(b) of the Order is not applicable.
- iii. The Company has neither made any investments in / provided guarantees or security / granted loans or advances in the nature of loans, secured or unsecured loans to companies, firms, Limited Liability Partnerships, other parties. Accordingly,



- (a) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year. Accordingly, clause 3(iii)(a)(A) and 3(iii)(a)(B) of the Order is not applicable.
- (b) The Company has neither made any investments nor has given or provided any securities or guarantees. Accordingly, clause 3(iii)(b) of the Order is not applicable.
- (c) The Company has not granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties. Accordingly, clause 3(iii)(c) of the Order is not applicable.
- (d) The Company has not granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties. Accordingly, clause 3(iii)(d) of the Order is not applicable.
- (e) The Company has not granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties. Accordingly, clause 3(iii)(e) of the Order is not applicable.
- (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Accordingly, clause 3(iii)(f) of the Order is not applicable.
- iv. The Company has not given any loans or guarantees/ made any investments within the meaning of section 185 and 186 of the Companies Act, 2013. Accordingly, clause 3(iv) of the Order is not applicable.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits as per the directives issued by the Reserve Bank of India and sections 73 to 76 of the Companies Act, 2013 and the rules thereunder. Accordingly, clause 3(v) of the Order is not applicable.
- vi. The Central Government has not prescribed the maintenance of cost records under sub-section (1) of Section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Accordingly, clause 3(vi) of the Order is not applicable.
- vii. In respect of statutory dues:
- (a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues including Goods and Service tax, Provident fund, Employees' State Insurance, Income-Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and any other statutory dues applicable to it with the appropriate authorities;

There were no undisputed amounts payable in respect of Goods and Service tax, Provident fund, Employees' State Insurance, Income-Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and any other statutory dues in arrears as at 31st March 2022 for a period of more than six months from the date they became payable.



- (b) There are no statutory dues relating to Goods and Service tax, Provident fund, Employees' State Insurance, Income-Tax, Sales Tax, Service Tax, Duty of Custom, Duty of Excise, Value Added Tax, Cess and any other statutory dues which have not been deposited on account of any dispute.
- viii. The Company does not have any transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 OF 1961).
- ix.
- (a) The Company has no repayment of loans or borrowings and the interest thereon. Accordingly, clause 3(ix)(a) of the Order is not applicable.
- (b) The Company has not been declared a wilful defaulter by any bank or financial institution or lender or government or government authority. Accordingly, clause 3(ix)(b) of the Order is not applicable.
- (c) The Company not availed the term loans. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) On an overall examination of the financial statements of the Company, the Company has no funds raised on short-term basis. Accordingly, clause 3(ix)(d) of the Order is not applicable.
- (e) On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates and joint venture as defined in the Act. Accordingly, clause 3(ix)(e) of the Order is not applicable.
- (f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, associates and joint ventures. Accordingly, clause 3(ix)(f) of the Order is not applicable.
- x.
- (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) The Company has complied with the requirements of section 42 and section 62 of the Companies Act, 2013 in respect of its preferential allotment of private placement or convertible debentures (Fully, partially or optionally convertible). The funds so raised were utilized for the purpose for which they were raised.
- xi.
- (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of Section 143 of the Companies Act, 2013 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 during the year and up to the date of this report.

- (c) The Company has not received any whistleblower complaints during the year. Accordingly, clause 3(xi)(c) of the order is not applicable.
- xii. The Company is not a Nidhi company. Accordingly, clause 3(xii) of the Order is not applicable.
- xiii. The Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with related parties, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. Based on the size and business activity, the Company does not have any requirement for an internal audit system. Accordingly, clause 3(xiv)(a) and clause 3(xiv)(b) of the Order is not applicable.
- xv. In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi.
- (a) In our opinion, The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clauses 3(xvi)(a), 3(xvi)(b) and 3(xvi)(c) of the Order are not applicable.
- (d) In our opinion, there is no Core Investment Company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the Company is not 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. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any



guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx.

- (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on any projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) and (6) of Section 135 of the said Act. Accordingly, clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable for the year.

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

C. S. Pani
Proprietor
Membership No: 073178
UDIN: 22073178AMDYHQ3510



Place: Hyderabad
Date: 15-06-2022

LR Research Laboratories Private Limited

Balance Sheet as at March 31, 2022

(₹ in Lakhs)

Particulars		Note	As at 31 March 2022	As at 31 March 2021
I	ASSETS			
1	Current Assets			
	(a) Financial Assets			
	(i) Trade Receivables-	3	-	3.86
	(ii) Cash & Cash Equivalents	4	4.65	0.24
	(b) Current Tax Assets	5	2.56	5.98
	Total Current Assets		7.21	10.08
	Total Assets		7.21	10.08
II	EQUITY & LIABILITIES			
1	Equity			
	(a) Equity Share Capital	6.1	1.00	1.00
	(b) Other Equity	6.2	(4.24)	(4.72)
	Total Equity		(3.24)	(3.72)
2	Current Liabilities			
	(a) Financial Liabilities			
	(i) Trade Payables	7	10.45	12.35
	(ii) Other Financial Liabilities	8	-	-
	(b) Other Current Liabilities	9	-	1.45
	(c) Provisions	10	-	-
	Total Current Liabilities		10.45	13.80
	Total Equity & Liabilities		7.21	10.08

See accompanying notes forming part of financial statements

In terms of our report attached

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

C. S. Pani
Proprietor
Membership No: 073178

Place: Hyderabad
Date: June 15, 2022



For and on behalf of the Board of Directors

Harish Chandra Bijlwan
Director
(DIN: 03149388)

M Pavan Kumar
Director
(DIN: 01514557)

Place: Hyderabad
Date: June 15, 2022



Statement of Profit & Loss Account for the year ended March 31, 2022

(₹ in Lakhs)

Particulars		Note	For the year ended 31 March 2022	For the year ended 31 March 2021
I	Income			
	Revenue from Operations	11	24.50	35.40
	Other Income	12	0.31	-
	Total Income		24.81	35.40
II	Expenses			
	Employee Benefit Expenses	13	15.18	34.68
	Finance Costs	14	-	-
	Other Expenses- Consultancy Charges & Rates & Taxes	15	9.15	0.41
	Total Expenses		24.33	35.09
III	Profit / (Loss) before Exceptional Items and tax		0.48	0.31
IV	Exceptional Items		-	-
V	Profit / (Loss) before tax from continuing operations		0.48	0.31
VI	Tax Expense			
	Current Tax		-	-
	Total Tax Expense		-	-
VII	Profit / (Loss) for the year (V - VI)		0.48	0.31
VIII	Other Comprehensive Income		-	-
IX	Total Comprehensive Income for the year (VII + VIII)		0.48	0.31
X	Earnings per Equity Share of ₹ 10 each	15		
	Basic ₹		4.80	3.10
	Diluted ₹		4.80	3.10
	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 **SARANGA PANI & CO**
Chartered Accountants
Firm Registration No: 050030 S

C. S. Pani
Proprietor
Membership No: 073178

Place: Hyderabad
Date: June 15, 2022



(Handwritten signature of C. S. Pani)

For and on behalf of the Board of Directors

Harish Chandra Bijlwan
Director
(DIN: 03149388)

M Pavan Kumar
Director
(DIN: 01514557)

Place: Hyderabad
Date: June 15, 2022



(Handwritten signature of Harish Chandra Bijlwan)

(Handwritten signature of M Pavan Kumar)

LR Research Laboratories Private Limited

Cash Flow Statement for the period ended March 31, 2022

(₹ in Lakhs)

Particulars	For the period ended 31 March 2022	For the year ended 31 March 2021
Cash flow from operating activities		
Profit / (Loss) before tax	0.48	0.31
Changes in working capital:		
Trade receivables	3.86	(3.27)
Trade payables	(1.90)	0.53
Other financial liabilities	-	-
Other current liabilities	(1.45)	0.16
Provisions	-	-
Cash generated from operations	0.99	(2.27)
Direct taxes paid	(3.42)	2.43
Net cash flow from operating activities (A)	4.41	(4.70)
Cash flow from investing activities (B)	-	-
Cash flow from financing activities (C)	-	-
Net Increase / (decrease) In cash and cash equivalents (A + B + C)	4.41	(4.70)
Cash and cash equivalents at the beginning of the year	0.24	4.94
Cash and cash equivalents at the end of the year	4.65	0.24

See accompanying notes forming part of financial statements

In terms of our report attached

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

C. S. Pani
Proprietor
Membership No: 073178

Place: Hyderabad
Date: June 15, 2022



For and on behalf of the Board of Directors

Harish Chandra Bijlwan
Director
(DIN: 03149388)

Place: Hyderabad
Date: June 15, 2022



M Pavan Kumar
Director
(DIN: 01514557)

LR Research Laboratories Private Limited

Statment of Changes in Equity for the period ended

A. Equity Share Capital

(₹ in Lakhs)

Particulars	No. of Shares	Amount
Balance as at 31st March, 2021	10,000	1.00
Changes in Equity Share Capital During the Year	-	-
Balance as at 31st March, 2022	10,000	1.00

B. Other Equity

Particulars	Retained Earning	Total
Balance as at 31st March, 2021	(4.72)	(4.72)
Profit/(Loss) for the year	0.48	0.48
Balance as at 31st March, 2022	(4.24)	(4.24)

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 15, 2022



Harish Chandra Bijiwan

Director

(DIN: 03149388)

Place: Hyderabad

Date: June 15, 2022

M Pavan Kumar

Director

(DIN: 01514557)

LR Research Laboratories Private Limited

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.



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Notes to the Financial Statements

6.1 Equity Share Capital

(₹ in Lakhs)

Particulars	As at 31 March 2022		As at 31 March 2021	
	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 2022		As at 31 March 2021	
	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 2022		As at 31 March 2021	
	% 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 2022	As at 31 March 21
Retained earnings		
Opening balance	(4.72)	(5.03)
Net Profit/(Loss) For the current year	0.48	0.31
Closing Balance	(4.24)	(4.72)



LR Research Laboratories Private Limited

Notes to the Financial Statements

3. Trade Receivable

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Trade Receivable	-	3.86
Total	-	3.86

4. Cash and Cash Equivalents

Particulars	As at 31 March 2022	As at 31 March 2021
Balances with banks <i>In Current Accounts</i>		
Rupee accounts	4.65	0.24
Total	4.65	0.24

5. Current Tax Asset/(Liability)

Particulars	As at 31 March 2022	As at 31 March 2021
TDS Receivable	2.75	6.17
Less: Provision for Taxation	0.19	0.19
Total	2.56	5.98



LR Research Laboratories Private Limited
Notes to the Financial Statements

7. Trade Payables

(₹ in Lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
MSMED Vendors	-	-
Others	10.45	12.35
Total	10.45	12.35

8. Other Financial Liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Other financial liabilities	-	-
Total	-	-

9. Other Current Liabilities

Particulars	As at 31 March 2022	As at 31 March 2021
Statutory Payable	-	1.45
Total	-	1.45

10. Provisions

Particulars	As at 31 March 2022	As at 31 March 2021
Other Provisions	-	-
Total	-	-



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Circular stamp of LR Research Laboratories Private Limited, Hyderabad.

LR Research Laboratories Private Limited

Notes to the Financial Statements

11. Revenue from operations

(₹ in Lakhs)

Particulars	For the period ended 31 Mar 2022	For the year ended 31 March 2021
Service income	24.50	35.40
Total	24.50	35.40

12. Other income

Particulars	For the period ended 31 Mar 2022	For the year ended 31 March 2021
Interest income	0.31	-
Total	0.31	-

13. Employee Benefit Expenses

Particulars	For the period ended 31 Mar 2022	For the year ended 31 March 2021
Salaries, Wages and Bonus	15.18	34.68
Total	15.18	34.68

14. Finance Cost

Particulars	For the period ended 31 Mar 2022	For the year ended 31 March 2021
Bank Charges	-	-
Total	-	-

15. Other Expenses

Particulars	For the period ended 31 Mar 2022	For the year ended 31 March 2021
Audit Fee	0.25	0.25
Consultancy Charges	8.75	
Rates and Taxes	0.15	0.16
Total	9.15	0.41



LR Research Laboratories Private Limited

Notes to the Financial Statements

Particulars		For the period ended 31 March 2022	For the year ended 31 March 2021
16	Earnings per share		
	i) Profit / (loss) after tax (₹ in lakhs)	0.48	0.31
	ii) Weighted average number of equity shares of ₹ 10 each outstanding during the year	10,000	10,000
	Basic (a)	10,000	10,000
	Diluted (b)	4.80	3.10
	iii) Earnings per share (face value of ₹ 10 each)	4.80	3.10
	Basic [a] / [b] (₹)		
	Diluted [a] / [c] (₹)		
		NIL	NIL
		NIL	NIL
17	Commitments & Contingent liabilities		
	a) Claims against the company not acknowledged as debt		
	b) Commitments		
18	Related party disclosures		
	A) Names of the related parties and their relationship:		
	NAACL Industries Limited - relationship "Holding Company"	24.50	35.40
	B) Transactions during the year		
	Consultancy charges (₹ in lakhs)	0.81	3.86
	C) Outstanding balances as at the end of the year		
	Trade payables (₹ in lakhs)		
	Trade receivable (₹ in lakhs)	0.25	0.25
19	Payment to Auditors		
	Audit fees * (₹ in lakhs)		
	* Amounts given above excludes taxes		



LR Research Laboratories Private Limited

Notes to the Financial Statements

20 Ratio Analysis

Particulars	Numerator	Denominator	For March'22	For March'21	Variance	Reasons
(a) Current Ratio	Current Assets	Current Liabilities	0.69	0.73	-6%	
(b) Debt-Equity Ratio	Total Debt	Shareholder's funds	-	-	-	
(c) Debt Service Coverage Ratio	EBITDA	Principal + Interest	-	-	-	
(d) Return on Equity Ratio	Profit after Tax	Shareholder's funds	-	-	-	
(e) Inventory turnover Ratio	Cost of Goods Sold	Average Inventory	-	-	-	
(f) Trade Receivables turnover Ratio	Credit Sales	Average Trade Receivables	-	-	-	
(g) Trade payables turnover Ratio	Credit Purchases	Average Trade Payables	-	-	-	
(h) Net capital turnover Ratio	Sales	Working Capital	0.02	0.01	124%	Increase in business performance compared to previous year
(i) Net profit Ratio	Net Profit after tax	Sales	-	-	-	
(j) Return on Capital employed	EBIT	Shareholder's funds + Long term Liabilities	-	-	-	
(k) Return on investment	Interest Income	Cost of Investment	-	-	-	

In terms of our report attached

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

C. S. Pani
Proprietor
Membership No: 073178

Place: Hyderabad
Date: June 15, 2022



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For and on behalf of the Board of Directors

Harish Chandra Bilwan
Director
(DIN: 03149388)

M Pavan Kumar
Director
(DIN: 01514557)

Place: Hyderabad
Date: June 15, 2022



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