KLASS PACK LIMITED

30^{TH} ANNUAL REPORT

2020-2021

COMPANY INFORMATION:

BOARD OF DIRECTORS	Mr. Shreevar Kheruka Chairman (DIN-01802416) Mr. P. K. Kheruka Director (DIN- 00016909) Mr. Prashant Amin Managing Director (DIN- 00626079) Mrs. Shweta Amin Whole Time Director (DIN- 00651041) Mr. Vinayak Patankar Director (DIN- 07534225) Mr. Raj Kumar Jain Independent Director (DIN- 00026544) Mr. Shashi Mehra Independent Director (DIN- 00032134)
KEY MANAGERIAL PERSONNEL	Mr. Omkar Vaychal Chief Financial Officer Mr. Vinod Parmar Company Secretary (Membership No. – A44585)
REGISTERED OFFICE	H-27, MIDC Area, Ambad, Nasik, Maharashtra- 422010
CIN	U74999MH1991PLC061851
E-MAIL	kpl.secretarial@borosil.com
STATUTORY AUDITORS	M/S. Pathak H. D. & Associates LLP Chartered Accountants, Mumbai (Firm Registration no. 107783W / W100593)

CONTENTS:

Glass Ampoules
Tubular Glass Vials

BOROSIL
KLASSPACK
pharmaceutical packaging

Klass Pack Limited
(A subsidiary of Borosil Ltd.)
CIN: U74999MH1991PLC061851
Registered Office : H-27, MIDC, Ambad, Nashik 422010 India
T : +91 253 2382 404 / F : +91 253 2387 907
Mumbai Office : Borosil Ltd.
1101, Crescenzo, G-Block, Opp. MCA Club,
BKC, Bandra (E), Mumbai - 400 051, India
T : +91 22 6740 6300 / F : +91 22 6740 6514
info.klasspack@borosil.com
www.borosil.com/klasspack

DIRECTORS' REPORT

To
The Members of
Klass Pack Limited

Your Directors have pleasure in submitting their 30th Annual Report of the Company together with the Audited Statements of Accounts for the financial year ended 31st March, 2021.

1. FINANCIAL RESULTS:

The Company's financial performance for the year under review along with previous year's figures are given hereunder:

(Rs. in lakhs)

Particulars	For the Year ended 31.03.2021	For the Year ended 31.03.2020
Revenue from Operation/Turnover	6,519.45	4,905.73
Other Income	55.06	36.35
Less: Expenses (including excise duty)during the year but excluding depreciation	5,905.57	4,749.82
Profit / (Loss) before tax and depreciation	668.94	192.26
Less: Depreciation	520.43	508.81
Profit/(Loss) before tax	148.51	(316.55)
Less: Provision of Income tax including deferred tax	25.77	97.21
Profit/(Loss) after tax	122.74	(219.34)
Other Comprehensive Income	1.57	0.08
Total Comprehensive Income for the year	124.31	(219.26)

2. FINANCIAL AND OPERATIONAL PERFORMANCE :

During the year under review, your company has achieved Revenue from Operation of Rs. 6,519.45 Lakhs as against Rs. 4,905.73 Lakhs in the previous year, a growth of 32.89%.

Your Company has profit of Rs. 148.51 Lakhs as against a loss of Rs. 316.55 Lakhs in the previous year. The major reasons for the profit during the year under review is addition of new customers in both domestic and export, reducing sales to low margin customers and improvement in productivity.

3. IMPACT OF COVID-19:

The COVID-19 spread wreaked great havoc in the entire country during the financial year 2020-21. The Government of India imposed Nationwide lockdown in the phased manner with effect from 23rd March, 2020 as a preventive measure against the COVID-19 pandemic in India. The Company had to shut down its plant for three days during this pandemic as per the Orders of Government of Maharashtra and Ministry of Home Affairs. The operations of plants of the Company were re-started shortly as products of the Company are falling under the packaging of essential items viz. pharmaceuticals category.

The Company faced the following challenges due to the COVID:

Ø Operations under limited resources;
Ø Labor issues at Customers End;
Ø COVID Cases Found at Customers end;
Ø Congestion in Pipeline

On the brighter side, following opportunities were also emerged for the Company:

Ø Vials Used in Treatments Projects such a Dexamethasone and Remdesivir;
Ø Vials used for COVID Vaccine;
Ø Stocking of Vials for other Therapies

The menace of Covid-19 still continues and some of our staff and workers are getting infected by the said virus, although at present, the Company is somehow managing its normal operations.

4. DIVIDEND:

The Board does not recommend any dividend on Equity shares of the Company.

5. TRANSFER TO RESERVES:

The Company has not transferred any amount to Reserves during the financial year 2020-21.

6. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:

The provisions of Section 125(2) of the Companies Act, 2013 does not apply as the Company has not declared any dividend till date.

7. SHARE CAPITAL:

The Authorized Capital of the Company as on March 31, 2021 was Rs. 15,00,00,000/- (Rupees Fifteen Crore Only) divided into 15,00,000 (Fifteen Lakhs) Equity Shares of Rs. 100/- (Rupees Hundred Only) each.

The Issued and Paid-up share capital of the Company as on March 31, 2021 was Rs. 13,96,73,800/- (Rupees Thirteen Crore Ninety Six Lakh Seventy Three Thousand Eight Hundred Only) divided into 13,96,738 (Thirteen Lakh Ninety Six Thousand Seven Hundred Thirty Eight) Equity Shares of Rs. 100/- each (Rupees Hundred Only). There was no change in the share capital during the FY 2020-21.

8. RISK MANAGEMENT POLICY OF THE COMPANY:

The Company is into an activity of manufacture of laboratory and pharmaceutical glassware (Tubular Glass Ampoules and Vials) mostly to domestic clients and exports. The Company faces various risks in the form of business risk, financial risk, operational and economic risk. The Company understands that it needs to protect itself from these risks in the market and hence has made a comprehensive policy on Risk Management, in accordance with the provisions of the Act. It establishes various levels of risks with its varying levels of probability, the likely impact on the business and its mitigation measures.

9. RELATED PARTY TRANSACTIONS:

Particulars of contracts or arrangements entered in to with the related parties referred to in section 188(1) of the Companies Act, 2013, in prescribed Form AOC-2 is attached as an '**Annexure I'** to this Report

10. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the said provisions are not applicable.

11. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

12. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information pursuant to Section 134(3)(m) of the Companies Act, 2013 read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 is given as an **'Annexure II'** to this Report.

Particulars with regard to foreign exchange earnings and outgo during the year are as under:

(Rs. In Lakhs)

Foreign exchange earnings	563.74
Foreign exchange outgo	688.21

13. AUDITOR AND AUDITORS REPORT:

STATUTORY AUDITORS

M/s. Pathak H.D. & Associates LLP, Chartered Accountants (ICAI Firm Registration No. 107783W/ W100593), were appointed as Statutory Auditors of your Company for a term of five years from the conclusion of the 25th Annual General Meeting held on 28th September, 2016 till the conclusion of the 30th Annual General Meeting.

The Audit Committee and Board of Directors of the Company have recommended the appointment of M/s. Pathak H.D. & Associates LLP, Chartered Accountants as Statutory Auditors of the Company for the second term of five (5) consecutive years from the conclusion of 30th AGM till the conclusion of 35th AGM of the Company.

The Statutory Auditors' Report for the financial year 2020-21 does not contain any qualifications, reservations, adverse remarks or disclaimer and no frauds were reported by the Auditors to the Company under sub-section (12) of Section 143 of the Act.

COST AUDITORS

Under the Section 148 of the Companies Act, 2013, the Central Government has prescribed maintenance and audit of cost records vide the Companies (Cost Records and Audit) Rules, 2014 to such class of companies as mentioned in the Table appended to Rule 3 of the said Rules. Company's products are not covered under CETA headings.

Hence, maintenance of cost records and cost audit provisions are not applicable to the Company as of now.

SECRETARIAL AUDITORS

The provisions relating to submission of Secretarial Audit Report are not applicable to the Company for the financial year ended 31st March, 2021.

14. BOARD MEETINGS CONDUCTED DURING THE YEAR UNDER REVIEW:

The Board met four (4) times during the financial year 2020-21 on 29th June, 2020, 10th August, 2020, 03rd November, 2020 and 02nd February, 2021.

The Ministry of Corporate Affairs vide General Circular No. 11/2020 dated March 24, 2020 had provided that the gap between two consecutive meetings of the Board may extend to 180 days till the next two quarters i.e. till September 30, 2020, instead of 120 days as required in the Companies Act, 2013.

The gap between the meetings of the Board held on January 31, 2020 and June 29, 2020 was 148 Days.

This apart, the gap between two board meetings held during the financial year 2020-21 did not exceed 120 days.

The detail of attendance at the aforesaid meeting is as follows:

Name of Directors	Designation	No. of meetings	
		Held during their respective tenures	Attended
Mr. Shreevar Kheruka (DIN- 01802416)	Chairman	4	4
Mr. Prashant Amin (DIN- 00626079)	Managing Director	4	4
Mr. P. K. Kheruka (DIN- 00016909)	Director	4	3
Mr. Vinayak Patankar (DIN- 07534225)	Director	4	4
Mrs. Shweta Amin (DIN- 00651041)	Whole- Time Director	4	4
Mr. Raj Kumar Jain (DIN-00026544)	Independent Director	4	4
Mr. Shashi Mehra * (DIN- 00032134)	Independent Director	4	4

* Mr. Shashi Mehra ceased to be an Independent Director of the Company with effect from 21st May, 2021 upon his resignation.

15. DIRECTORS RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 134(5) of the Companies Act, 2013, the Board hereby submits its responsibility Statement:

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for that period;

(c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors have prepared the annual accounts on a going concern basis;

(e) the Company being unlisted, sub clause (e) of section 134(5) of the Companies Act, 2013 pertaining to laying down internal financial controls is not applicable to the Company; and

(f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

16. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

The Company does not have any Subsidiary, Joint venture or Associate Company.

17. DEPOSITS:

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

18. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

The Board comprised of the following Directors as on 31st March, 2021:

Sr. No.	Name of Director	Designation
1.	Mr. Shreevar Kheruka	Chairman
2.	Mr. Prashant Amin	Managing Director
3.	Mr. P. K. Kheruka	Director
4.	Mr. Vinayak Patankar	Director
5.	Mrs. Shweta Amin	Whole-Time Director
6.	Mr. Raj Kumar Jain	Independent Director
7.	Mr. Shashi Mehra*	Independent Director

*Mr. Shashi Mehra ceased to be an Independent Director of the Company with effect from 21st May, 2021 upon his resignation.

Mr. Omkar Vaychal was appointed as Chief Financial Officer of the Company with effect from 29th June, 2020.

Mr. Vinayak Patankar, Director and Mrs. Shweta Amin, Whole Time Director, shall retire by rotation in the ensuing Annual General Meeting and being eligible offers themselves for re-appointment.

19. DECLARATION OF INDEPENDENT DIRECTORS:

The Company has received declarations of Independence from Independent Directors as stipulated under Section 149(7) of the Companies Act, 2013 confirming that they are not disqualified from continuing as Independent Directors.

20. DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:

The Company has adopted the policy for Prohibition, Prevention and Redressal of Sexual Harassment of women at work place during the year under review. The Company has not received any complaint of sexual harassment during the year 2020-21.

21. HUMAN RESOURCES & INDUSTRIAL RELATIONS:

The Company has well trained workforce for its various areas of its operations, upgradation of which is being done on continuous basis for improving the plant and quality process.

The industrial relations in the Company's plant had been cordial throughout the year.

22. DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE:

Pursuant to the provisions of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2014, the Audit Committee of the Company comprised of the following Members as on 31st March, 2021:

Name	Designation
Mr. Shashi Mehra*	Chairman
Mr. Shreevar Kheruka	Member
Mr. Raj Kumar Jain	Member

*Mr. Shashi Mehra ceased to be the Chairman of the Committee with effect from 21st May, 2021 upon his resignation.

During the Financial year 2020-21, 04 (Four) meetings of the Committee were held. Meetings of Audit Committee were conducted on 29th June, 2020, 10th August, 2020, 03rd November, 2020 and 02nd February, 2021.

23. DISCLOSURE OF COMPOSITION OF NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee comprised of the following Members as on March 31, 2021:

Name	Designation
Mr. P. K. Kheruka	Chairman
Mr. Shashi Mehra*	Member
Mr. Raj Kumar Jain	Member

*Mr. Shashi Mehra ceased to be the Member of the Committee with effect from 21st May, 2021 upon his resignation.

Meetings of Nomination and Remuneration Committee were conducted on 29th June, 2020 and 02nd February, 2021.

24. REMUNERATION POLICY:

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for members of the Board of Directors, Key Managerial Personnel and other Employees pursuant to Section 178 of the Companies Act, 2013, which strive to ensure:

i. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;

ii. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

iii. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

25. PARTICULARS OF EMPLOYEES:

The Company is an unlisted public company and therefore provisions of section 197(12) of Companies Act, 2013 read with Rule 5 of (Appointment and Remuneration of Managerial Personnel) Rules, 2014, amended as on date are not applicable. Hence, no information is required to be appended in the Board's report in this regard.

26. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:

There are no significant and material orders passed by the Regulators/Courts that would impact the going concern status of the Company and its future operations.

27. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

No material changes and commitments affecting the financial position of the Company have been occurred between the end of the financial year to which these financial statements relate and the date of the report.

28. OTHER DISCLOSURES:

- There is no change in the nature of business.
- No relative of director was appointed to place of profit.

29. COMPLIANCE WITH SECRETARIAL STANDARDS:

The Institute of Company Secretaries of India, a Statutory Body, has issued Secretarial Standards on Board and General Meetings. The Company has complied with all the applicable provisions of the Secretarial Standards.

30. ACKNOWLEDGEMENT:

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Company's activities during the year under review. Your Directors also acknowledge financial and strategic support extended by Borosil Limited, the holding company of the Company.

For and on behalf of the
Board of Directors

Sd/-

Shreevar Kheruka
Chairman
DIN: 01802416

Place: Mumbai
Date: May 21, 2021

ANNEXURE I

Form No. AOC-2

(*Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)*

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. **Details of contracts or arrangements or transactions not at arm's length basis: NIL**
2. **Details of material contracts or arrangement or transactions at arm's length basis:**

SR. NO	PARTICULARS	DETAILS	DETAILS
1	**Name of the related party**	Borosil Limited (BL)	Borosil Limited (BL)
2	**Nature of relationship**	Holding Company, there are two common Director's namely Mr. P. K. Kheruka and Mr. Shreevar Kheruka in BL and Company. BL holds 79.53% shares of the Company.	Holding Company, there are two common Director's namely Mr. P. K. Kheruka and Mr. Shreevar Kheruka in BL and Company. BL holds 79.53% shares of the Company.
3	**Nature of contract / arrangement / transaction**	Sale of Vials and other products manufactured by the Company.	Purchase of Septa products for vials and other products.
4	**Duration of contract / arrangement / transaction**	With effect from 12.02.2020 to 11.02.2023	With effect from 12.02.2020 to 11.02.2023
5	**Salient terms of the contract or arrangement or transaction**	Sale of Vials and other products manufactured by the Company to BL and marketing of the same.	Purchase of Septa products for vials and other products from BL.
6	**Date of approval by the Board, if any**	January 31, 2020	January 31, 2020
7	**Amount of transaction during the year**	749.93 lakhs.	14.98 lakhs.
8	**Amount paid as advances, if any**	Advance against supply can be made as mutually decided.	Advance against purchase can be made as mutually decided.

For and on behalf of the Board of Directors

Sd/-

Shreevar Kheruka
Chairman
DIN: 01802416

Place: Mumbai
Date: May 21, 2021

ANNEXURE II
Details of conservation of energy, technology absorption

(a) Conservation of energy

(i)	the steps taken or impact on conservation of energy.	➢ **The Company introduced concept as mentioned below to save electricity:** ▪ **Air treatment instead of air changes.** **Air chillers near the furnace & forming machine to treat hot air generated by those equipment's.** ▪ **70% electricity saved on HVAC system.**
(ii)	the steps taken by the company for utilizing alternate sources of energy.	➢ **All the new lehr (existing are electric fired lehr) purchased are gas fired furnace.**
(iii)	the capital investment on energy conservation equipment's.	-

(b) Technology absorption

(i)	the efforts made towards technology absorption	➢ **In house designed & developed following technology:** ▪ **Water coller tooling plugs** ▪ **Air rotated tooling dies**
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	➢ **Saving of 4 % glass** ➢ **Saving of tooling oil in INR 50000 per month** ➢ **Import substitution as below:** ▪ **Ampoule machine chucks were developed locally which resulted in saving of 50% on cost.** ▪ **Camera inspection rota wheel was developed locally which resulted in saving of Rs. 3 Lakhs per year.**
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	

	(a) the details of technology imported	**Vial Forming Machine** **Vial inspection system** **Ampoule inspection system**
	(b) the year of import;	**2019-20**
	(c) whether the technology been fully absorbed	**Yes**
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	**NIL**
(iv)	the expenditure incurred on Research and Development	**NIL**

For and on behalf of the Board of Directors

Sd/-

Shreevar Kheruka
Chairman
DIN: 01802416

Place: Mumbai
Date: May 21, 2021

Independent Auditors' Report

To,
The Members of Klass Pack Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Klass Pack Limited ("the Company")**, which comprise the Balance Sheet as at 31st March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) as specified under section 143(10) of Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules 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 opinion on the financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the management discussion & analysis and director's report included in the annual report but does not include the financial statements and our auditor's report thereon.

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

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

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

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty

exists related to events or conditions that may cast significant doubt on the ability of the Company 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.

- 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

1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **"Annexure B"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 As required by Section 143 (3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Change 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 financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with relevant rules issued thereunder;

e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act;

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"**;

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 read with Schedule V to the Act.

h) 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 as at 31st March 2021 which would impact its financial position.

(ii) The Company does not have long term contracts including derivative contracts for which there were any material foreseeable losses.

(iii) There were no amounts which were required to be transferred to the Investor Education and protection fund by the Company.

For **Pathak H.D & Associates LLP**
Chartered Accountants
Firm's Registration No.107783W/W100593

Sd/-
Gyandeo Chaturvedi
Partner
Membership No.:-46806

UDIN : 21046806AAAAAJ2429
Place: Mumbai
Dated: 21.05.2021

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT
(Referred to in paragraph 2 (f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date on the financial statements of Klass Pack Limited for the year ended 31st March 2021)

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

We have audited the internal financial controls with reference to financial statements of Klass Pack Limited ("the Company") as of 31st March, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements 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 ("the Guidance Note) 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 Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness.

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

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

Meaning of Internal Financial Controls with reference to financial statements

A Company's internal financial control with reference to financial statements 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 with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 With reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31st March 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Pathak H.D. & Associates LLP**
Chartered Accountants
Firm Reg. No. 107783W/W100593

Sd/-
Gyandeo Chaturvedi
Partner
Membership No.:-46806
UDIN: 21046806AAAAAJ2429

Place: Mumbai
Dated: 21.05.2021

ANNEXURE - B TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date on the financial statements to the members of Klass Pack Limited for the year ended 31st March, 2021)

i. In respect of its fixed assets:

   a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.

   b. As explained to us, all the fixed assets have been physically verified by the management during the year. No material discrepancies were noticed on such physical verification as compared with the available records.

   c. According to the information and explanations given to us and on the basis of our examination, the title deeds of immovable properties are held in the name of the Company.

ii. As explained to us, inventories have been physically verified during the year by the management except goods-in-transit. In our opinion the frequency of verification is reasonable. Discrepancies noticed on physical verification of the inventories between the physical inventories and book records were not material, having regard to the size of the operations of the Company and the same have been properly dealt with.

iii. According to the information and explanations given to us, during the year the Company has not granted any loan secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Therefore, the provisions of clause (iii) of paragraph 3 of the Order are not applicable to the Company.

iv. According to the information and explanations given to us, the Company has not entered any transaction in respect of loans, investments, guarantees and security covered under section 185 and 186 of the Act during the year. Therefore, the provisions of clause (iv) of paragraph 3 of the Order are not applicable to the Company.

v. According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of clause (v) of paragraph 3 of the Order are not applicable to the Company.

vi. According to the information and explanations given to us, Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of activities carried on by the Company. Therefore, the provisions of clause (vi) of paragraph 3 of the Order are not applicable to the Company.

vii. According to the information and explanations given to us, and the records of the Company examined by us:

a. The Company has been generally regular in depositing undisputed statutory dues, including provident Fund, employees' state insurance, income tax, goods and services tax, duty of custom, cess and any other statutory dues to the appropriate authorities except in some cases of tax deduction at source as applicable during the year. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid statutory dues were outstanding, as at 31st March 2021 for a period of more than six months from the date they became payable.

b. According to information and explanations given to us there are no dues of income tax, goods and service tax, duty of customs, cess and other statutory dues as applicable, which have not been deposited on account of any dispute.

viii. Based on our audit procedures and according to the information and explanations given by the management, we are of the opinion that as on 31st March, 2021 the Company has not defaulted in repayment of term loan to banks. The company does not have any borrowings from financial institutions, government and debenture holders.

ix. 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 no term loan was raised during the year. Therefore the provisions of clause (ix) of paragraph 3 of the Order are not applicable to the Company.

x. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and on the basis of information and explanations given by the management, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

xi. In our opinion and according to the information and explanations give to us and based on our examination of the records, the Company has paid or provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Act

xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, Company's transactions with the related parties are in compliance with sections 177 and 188 of the Act as applicable and details of such transactions have been disclosed in the financial statements as required by the applicable Indian 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 preferential allotment of shares during the year under audit. Therefore, the provisions of clause (xiv) of paragraph 3 of the Order are not applicable to the Company.

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 him. Therefore, the provisions of clause (xv) of paragraph 3 of the Order are not applicable to the Company.

xvi. In our opinion and according to information and explanations provided to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **Pathak H.D. & Associates LLP**
Chartered Accountants
Firm Reg. No. 107783W/W100593

Sd/-
Gyandeo Chaturvedi
Partner
Membership No.:-46806
UDIN : 21046806AAAAAJ2429

Place: Mumbai
Dated: 21.05.2021

KLASS PACK LIMITED

BALANCE SHEET AS AT 31st March 2021

(Rs. In Lakhs)

Particulars	Note No.	As at 31st March 2021		As at 31st March, 2020	
I. ASSETS					
1 Non-current Assets					
(a) Property, Plant and Equipment	5	5,479.17		5,011.22	
(b) Capital Work-in-progress	5	100.56		36.79	
(c) Other Intangible Assets	6	0.19		0.70	
(d) Financial Assets					
(i) Investments	7	1.18		1.31	
(ii) Others	8	22.60		22.60	
(e) Deferred Tax Assets (net)	9	327.56		353.88	
(f) Non-current Tax Assets (net)		2.44		4.65	
(g) Other Non-current Assets	10	23.52	**5,957.22**	417.14	**5,848.29**
2 Current Assets					
(a) Inventories	11	1,461.74		1,208.20	
(b) Financial Assets					
(i) Trade Receivables	12	1,312.90		1,133.43	
(ii) Cash and cash equivalents	13	73.17		14.47	
(iii) Bank Balances other than (ii) above	14	77.39		73.39	
(iv) Loans	15	5.35		1.62	
(v) Others	16	120.34		40.43	
(c) Other current assets	17	259.19	**3,310.08**	284.63	**2,756.17**
TOTAL ASSETS			**9,267.30**		**8,604.46**
II. EQUITY AND LIABILITIES					
Equity					
(a) Equity Share Capital	18	1,396.74		1,396.74	
(b) Other Equity	19	4,887.23	**6,283.97**	4,762.92	**6,159.66**
LIABILITIES					
1 Non-current Liabilities					
(a) Financial Liabilities					
(i) Borrowings	20	59.94		117.29	
(b) Provisions	21	254.79	**314.73**	228.46	**345.75**
2 Current Liabilities					
(a) Financial Liabilities					
(i) Borrowings	22	600.00		520.33	
(ii) Trade Payables	23				
A) total outstanding dues of micro enterprises and small enterprises		99.88		78.94	
B) total outstanding dues of creditors other than micro enterprises and small enterprises		1,250.24		987.34	
		1,350.12		**1,066.28**	
(iii) Other Financial Liabilities	24	534.71		351.29	
(b) Other Current Liabilities	25	118.91		109.58	
(c) Provisions	26	64.86	**2,668.60**	51.57	**2,099.05**
TOTAL EQUITY AND LIABILITIES			**9,267.30**		**8,604.46**
Significant accounting policies and notes to Financial Statements	1 to 45				

As per our report of even date

For and on behalf of the Board of Directors

For PATHAK H.D. & ASSOCIATES LLP
Chartered Accountants
(Firm Registration No. 107783 W / W100593)

Sd/-
Shreevar Kheruka
Director
(DIN 01802416)

Sd/-
Prashant Amin
Managing Director
(DIN 00626079)

Sd/-
Gyandeo Chaturvedi
Partner
Membership No. 46806

Sd/-
Omkar Vaychal
(Chief Financial Officer)

Sd/-
Vinod Parmar
Company Secretary
(Membership No. ACS-44585)

Place : Mumbai
Date : 21.05.2021

KLASS PACK LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST March 2021

(Rs. In Lakhs)

	Particulars	Note No.	For the Year Ended 31st March 2021	For the Year Ended 31st March, 2020
I.	Revenue from Operations	27	6,519.45	4,905.73
	Other Income	28	55.06	36.35
	Total Income (I)		**6,574.51**	**4,942.08**
II.	**Expenses:**			
	Cost of Raw Materials Consumed		2,865.58	2,211.49
	Changes in Inventories of Work-in-Progress and Finished goods	29	(0.98)	(129.04)
	Employee Benefits Expense	30	987.77	868.29
	Finance Costs	31	63.29	88.77
	Depreciation and Amortisation Expense	32	520.43	508.81
	Other Expenses	33	1,989.91	1,710.31
	Total Expenses (II)		**6,426.00**	**5,258.63**
III.	**Profit / (Loss) Before Tax (I - II)**		**148.51**	**(316.55)**
IV.	**Tax Expense:**			
	Deferred Tax Expenses/ (Credit)	9	25.77	(97.21)
V.	**Profit / (Loss) for the year (III - IV)**		**122.74**	**(219.34)**
VI.	**Other Comprehensive Income**			
	i) Items that will not be reclassified to profit or loss:			
	Re-measurement gains / (losses) on Defined Benefit Plans		2.12	0.11
	Income Tax effect on above		(0.55)	(0.03)
	Total Other Comprehensive Income		**1.57**	**0.08**
VII.	**Total Comprehensive Income for the year (V + VI)**		**124.31**	**(219.26)**
VIII.	**Earnings per Equity Share of Rs.100 each (in Rs.)**	34		
	Basic		**8.79**	**(17.30)**
	Diluted		**8.79**	**(17.30)**
	Significant accounting policies and notes to Financial Statements	1 to 45		

As per our report of even date

For and on behalf of the Board of Directors

For PATHAK H.D. & ASSOCIATES LLP
Chartered Accountants
(Firm Registration No. 107783 W / W100593)

Sd/-
Shreevar Kheruka
Director
(DIN 01802416)

Sd/-
Prashant Amin
Managing Director
(DIN 00626079)

Sd/-
Gyandeo Chaturvedi
Partner
Membership No. 46806

Place : Mumbai
Date : 21.05.2021

Sd/-
Omkar Vaychal
(Chief Financial Officer)

Sd/-
Vinod Parmar
Company Secretary
(Membership No. ACS-44585)

KLASS PACK LIMITED
STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31ST MARCH, 2021

	PARTICULARS	For the Year ended 31st March, 2021		For the Year ended 31st March, 2020	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Profit / (Loss) before tax as per Statement of Profit and Loss		**148.51**		(316.55)
	Adjusted for :				
	Depreciation and Amortisation Expense	520.43		508.81	
	(Gain)/Loss on Foreign Currency Transactions (net)	(4.73)		0.91	
	Loss on Financial Instruments measured at fair value through profit and loss	0.13		0.10	
	Sundry balance written off / (back) (net)	(0.26)		(1.62)	
	Provision for Credit Impaired	19.70		13.34	
	Guarantee Commission	3.11		1.69	
	Finance Cost	63.29		88.77	
	Dividend Income	-		(0.16)	
			601.67		611.84
	Operating Profit before Working Capital Changes		**750.18**		**295.29**
	Adjusted for :				
	Trade and Other Receivables		(255.18)		(149.67)
	Inventories		(253.54)		(365.63)
	Trade and Other Payables		409.24		533.77
	Cash flow from Operations		**650.70**		**313.76**
	Direct taxes paid (net)		2.21		(0.59)
	Net Cash Flow from Operating Activities		**652.91**		**313.17**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of Property, Plant and Equipment		(531.32)		(1,645.75)
	Dividend Income		-		0.16
	Net Cash Flow (used in) Investing Activities		**(531.32)**		**(1,645.59)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**				
	Proceeds from issue of Shares		-		1,750.01
	Proceeds from Non-current Borrowings		-		250.00
	Repayment of Non-current Borrowings		(71.27)		(370.30)
	Movements in Current Borrowings		79.67		(236.34)
	Movements in Margin Money (net)		(4.00)		12.55
	Guarantee Commission Paid		(3.11)		(1.69)
	Finance Cost Paid		(64.18)		(88.40)
	Net Cash Flow/(used in) from Financing Activities		**(62.89)**		**1,315.83**
	Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)		**58.70**		**(16.59)**
	Opening Balance of Cash and Cash Equivalents		**14.47**		**31.06**
	Closing Balance of Cash and Cash Equivalents (Refer Note 13.1)		**73.17**		**14.47**
	Unrealised loss / (gain) on Foreign Currency Transactions (net)		**(0.08)**		**-**
	Closing Balance of Cash and Cash Equivalents		**73.25**		**14.47**

Notes :

1 **Changes in liabilities arising from financing activities on account of Non-current and Current Borrowings:** **(Rs. in Lakhs)**

Particulars	**For the Year ended 31st March, 2021**	**For the Year ended 31st March, 2020**
Opening balance of liabilities arising from financing activities	718.56	1,075.20
a) Changes from financing cash flows	8.40	(356.64)
Closing balance of liabilities arising from financing activities	726.96	718.56

2 Bracket indicates cash outflow.
3 Previous Year figures have been regrouped and rearranged wherever necessary.
4 The above statement cash flow has been prepared under the "Indirect Method" as set out in Ind AS 7 "Statement of Cash Flow".

As per our report of even date

For and on behalf of the Board of Directors

For PATHAK H.D. & ASSOCIATES LLP
Chartered Accountants
(Firm Registration No. 107783 W / W100593)

Sd/-
Shreevar Kheruka
Director
(DIN 01802416)

Sd/-
Prashant Amin
Managing Director
(DIN 00626079)

Sd/-
Gyandeo Chaturvedi
Partner
Membership No. 46806

Sd/-
Omkar Vaychal
(Chief Financial Officer)

Sd/-
Vinod Parmar
Company Secretary
(Membership No. ACS-44585)

Place : Mumbai
Date : 21.05.2021

KLASS PACK LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st March 2021

A. Equity Share Capital **(Rs. in lakhs)**

Particulars	As at 1st April, 2019	Changes during 2019-20	As at 31st March, 2020	Changes during 2020-21	As at 31st March ,2021
Equity Share Capital	1,014.64	382.10	1,396.74	-	1,396.74

B. Other Equity **(Rs. in lakhs)**

Particulars	Reserves and Surplus		Items of Other Comprehensive Income		Total Other Equity
	Retained Earnings	Securities Premium	Revaluation Surplus	Remeasureme-nts of Defined Benefit Plans	
Balance as at 1st April, 2019	**(833.14)**	**3,336.63**	**1,098.29**	**12.49**	**3,614.27**
Total Comprehensive Income for the year	(219.34)	-	-	0.08	(219.26)
Securities Premium on issue of Shares		1,367.91	-	-	1,367.91
As at 31st March 2020	**(1,052.48)**	**4,704.54**	**1,098.29**	**12.57**	**4,762.92**
Balance as at 1st April, 2020	**(1,052.48)**	**4,704.54**	**1,098.29**	**12.57**	**4,762.92**
Total Comprehensive Income for the year	122.74	-	-	1.57	124.31
As at 31st March 2021	**(929.74)**	**4,704.54**	**1,098.29**	**14.14**	**4,887.23**

As per our report of even date

For and on behalf of the Board of Directors

For PATHAK H.D. & ASSOCIATES LLP
Chartered Accountants
(Firm Registration No. 107783 W / W100593)

Sd/-
Shreevar Kheruka
Director
(DIN 01802416)

Sd/-
Prashant Amin
Managing Director
(DIN 00626079)

Sd/-
Gyandeo Chaturvedi
Partner
Membership No. 46806

Sd/-
Omkar Vaychal
(Chief Financial Officer)

Sd/-
Vinod Parmar
Company Secretary
(Membership No. ACS-44585)

Place : Mumbai
Date : 21.05.2021

Note 1 CORPORATE INFORMATION:

Klasspack Limited ("the Company") is a limited Company domiciled and incorporated in India. It is a unlisted Company. The registered office of the Company is situated at H-27, MIDC, Ambad, Nasik 422010.

The Company is a leading manufacturer of Glass Ampoules and Tubular Glass Vials used as primary packaging materials by pharmaceutical companies.

The Financial Statements of the Company for the year ended 31st March 2021 were approved and adopted by Board of Directors in their meeting held on 21st May, 2021.

Note 2 BASIS OF PREPARATION:

The Financial Statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS), as notified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015.

The Financial Statements have been prepared on a historical cost basis, except for certain financial assets and liabilities, which are measured at fair value / amortised cost.

The Financial Statements are presented in Indian Rupees (Rs.), which is the Company's functional and presentation currency and all values are rounded to the nearest lacs, except when otherwise indicated.

Note 3 SIGNIFICANT ACCOUNTING POLICIES:

3.1 Property, Plant and Equipment:

Property, plant and equipment are carried at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Cost includes purchase price, borrowing cost and any cost directly attributable to the bringing the assets to its working condition for its intended use. In case of Property, Plant and Equipment, the Company has availed the carrying value as deemed cost on the date of transition i.e. 1st April, 2015.

Depreciation on the property, plant and equipment is provided using straight line method over the useful life of assets as specified in schedule II to the Companies Act, 2013. Depreciation on property, plant and equipment which are added / disposed off during the year is provided on pro-rata basis with reference to the date of addition / deletion. Freehold land is not depreciated.

The assets' residual values, useful lives and method of depreciation are reviewed at each financial year end and are adjusted prospectively, if appropriate.

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

Property, plant and equipment are eliminated from financial statement, either on disposal or when retired from active use. Profits / losses arising in the case of retirement / disposal of property, plant and equipment are recognised in the statement of profit and loss in the year of occurrence.

Leasehold land is amortised over the period of lease. Buildings constructed on leasehold land are depreciated based on the useful life specified in schedule II to the Companies Act, 2013, where the lease period of land is beyond the life of the building. In other cases, buildings constructed on leasehold land is amortised over the primary lease period of the land.

3.2 Intangible Assets :

Intangible assets are carried at cost, net of recoverable taxes, trade discount and rebates less accumulated amortisation and impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the intangible assets. In case of Intangible Assets, the Company has availed the carrying value as deemed cost on the date of transition i.e. 1st April, 2015.

Identifiable intangible assets are recognised when it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured.

Computer softwares are capitalised at the amounts paid to acquire the respective license for use and are amortised over the period of useful lives or period of three years, whichever is less. The assets' useful lives and method of amortisation are reviewed at each financial year end and are adjusted prospectively, if appropriate.

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.

3.3 Leases:

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an options to extend the lease if the Company is reasonably certain to exercise that options; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that options. In assessing whether the company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that crate an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

The Company as a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. 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.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

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.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right- of-use asset arising from the head lease.

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

3.4 Inventories:

Inventories are valued at the lower of cost and net realizable value except scrap (cullet), which is valued at net realizable value. 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 cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their respective present location and condition. Cost of raw materials, stores, spares and consumables and packing materials are computed on the weighted average basis. Cost of work in progress and finished goods is determined on absorption costing method.

3.5 Cash and cash equivalents:

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.
For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

3.6 Impairment of non-financial assets - property, plant and equipment and intangible assets:

The Company assesses at each reporting date as to whether there is any indication that any property, plant and equipment and intangible assets or group of assets, called cash generating units (CGU) may be impaired. If any such indication exists the recoverable amount of an asset or CGU is estimated to determine the extent of impairment, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the CGU to which the asset belongs.
An impairment loss is recognised in the Statement of Profit and Loss to the extent, asset’s carrying amount exceeds its recoverable amount. The recoverable amount is higher of an asset’s fair value less cost of disposal and value in use. Value in use is based on the estimated future cash flows, discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

3.7 Discontinued operation and non-current assets (or disposal groups) held for sale:

Discontinued operation:

A discontinued operation is a component of the Company that has been disposed off or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose off such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss.

Non-current assets (or disposal groups) held for sale:

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when a sale is highly probable from the date of classification, management are committed to the sale and the asset is available for immediate sale in its present condition. Non-current assets are classified as held for sale from the date these conditions are met and are measured at the lower of carrying amount and fair value less cost to sell. Any resulting impairment loss is recognised in the Statement of Profit and Loss as a separate line item. On classification as held for sale, the assets are no longer depreciated. Assets and liabilities classified as held for sale are presented separately as current items in the Balance Sheet.

3.8 Financial instruments – initial recognition, subsequent measurement and impairment:

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

I) Financial assets -Initial recognition and measurement:

All financial assets are initially recognized at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets, which are not at fair value through profit or loss, are adjusted to the fair value on initial recognition. Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised cost.

Financial assets - Subsequent measurement:

For the purpose of subsequent measurement, financial assets are classified in two broad categories:-
a) Financial assets at fair value
b) Financial assets at amortised cost
Where assets are measured at fair value, gains and losses are either recognised entirely in the statement of profit and loss (i.e fair value through profit or loss), or recognised in other comprehensive income (i.e. fair value through other comprehensive income)

A financial asset that meets the following two conditions is measured **at amortised cost** (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.
a) Business model test: The objective of the Company's business model is to hold the financial asset to collect the contractual cash flow.
b) Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at **fair value through other comprehensive income** unless the asset is designated at fair value through profit or loss under the fair value option.

a) Business model test: The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial assets.
b) Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding.

All other financial asset is measured at fair value through profit or loss.

Financial assets - Derecognition:

A financial assets (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed form the Company's statement of financial position) when:
a) The rights to receive cash flows from the asset have expired, or
b) The Company has transferred its rights to receive cash flow from the asset.

Impairment of financial assets:

In accordance with Ind AS 109, the Company uses ‘Expected Credit Loss’ (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).
Expected credit losses are measured through a loss allowance at an amount equal to:
a) The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
b) Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)
For trade receivables Company applies ‘simplified approach’ which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward looking estimates are analysed.
For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

II) Financial liabilities - Initial recognition and measurement:
The financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities - Subsequent measurement:
Financial liabilities are subsequently carried at amortized 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.

Financial Liabilities - Financial guarantee contracts:
Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined and the amount recognised less cumulative amortisation.

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

3.9 Provisions, Contingent Liabilities, Contingent Assets and Commitments:
Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.
Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

3.10 Dividend Distribution:
Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividends are approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend payable and corresponding tax on dividend distribution is recognised directly in other equity.

3.11 Revenue recognition and other income:

Sale of goods and Services:

The Company derives revenues primarily from sale of products comprising of Glass Ampoules and Tabular Glass Vials used as primary packaging materials by pharmaceutical companies. Effective 1st April, 2018, the Company adopted Ind AS 115 “Revenue from Contracts with Customers”.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration entitled in exchange for those goods or services. Generally, control is transfer upon shipment of goods to the customer or when the goods is made available to the customer, provided transfer of title to the customer occurs and the Company has not retained any significant risks of ownership or future obligations with respect to the goods shipped.

Revenue from rendering of services is recognised over the time by measuring the progress towards complete satisfaction of performance obligations at the reporting period.

Revenue is measured at the amount of consideration which the Company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognized when it becomes unconditional.

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

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

Contract balances

Trade receivables:

A receivable represents the Company’s right to an amount of consideration that is unconditional.

Contract liabilities:

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Company performs under the contract.

Other Income

Incentives on exports and other Government incentives related to operations are recognised in the statement of profit and loss after due consideration of certainty of utilization/receipt of such incentives.

Interest Income

Interest income from a financial asset is recognised when it is probable that the 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 asset to that asset’s net carrying amount on initial recognition.

Dividend Income

Dividend Income is recognised when the right to receive the payment is established.

Rental income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included as other income in the statement of profit or loss.

3.12 Foreign currency reinstatement and translation:

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency closing rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss except to the extent of exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings that are directly attributable to the acquisition or construction of qualifying assets, are capitalized as cost of assets.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the transaction. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the exchange rates prevailing at the date when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other finance gains / losses are presented in the statement of profit and loss on a net

In case of an asset, expense or income where a non-monetary advance is paid/received, the date of transaction is the date on which the advance was initially recognized. If there were multiple payments or receipts in advance, multiple dates of transactions are determined for each payment or receipt of advance consideration.

3.13 Employee Benefits:

Short term employee benefits are recognized as an expense in the statement of profit and loss of the year in which the related services are rendered.

Leave encashment is accounted as Short-term employee benefits and is determined based on projected unit credit method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date.

Contribution to Provident Fund, a defined contribution plan, is made in accordance with the statute, and is recognised as an expense in the year in which employees have rendered services.

The cost of providing gratuity, a defined benefit plans, is determined based on Projected Unit Credit Method, on the basis of actuarial valuations carried out by third party actuaries at each Balance Sheet date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income in the period in which they arise. Other costs are accounted in statement of profit and loss.

Remeasurements of defined benefit plan in respect of post employment and other long term benefits are charged to the other comprehensive income in the year in which they occur. Remeasurements are not reclassified to statement of profit and loss in subsequent periods.

3.14 Share-based payments:-

Certain employees of the company receive part of their remuneration in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares of holding company (‘equity-settled transactions’).

The cost of equity-settled transactions with employees is measured at fair value at the date at which they are granted. The fair value of share awards are determined with the assistance of an external valuer and the fair value at the grant date is expensed on a proportionate basis over the vesting period based on the Company’s estimate of shares that will eventually vest. The estimate of the number of awards likely to vest is reviewed at each balance sheet date up to the vesting date at which point the estimate is adjusted to reflect the current expectations. Amounts charged by the holding company in respect of awards granted to employees of the Company are recognised as payable under current financial liabilities - other until paid to the Holding Company.

3.15 Taxes on Income:

Income tax expense represents the sum of current tax (including income tax for earlier years) and deferred tax (including mat credit entitlement). Tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in such cases the tax is also recognised directly in equity or in other comprehensive income. Any subsequent change in direct tax on items initially recognised in equity or other comprehensive income is also recognised in equity or other comprehensive income.

Current tax provision is computed for income calculated after considering allowances and exemptions under the provisions of the applicable Income Tax Laws. Current tax assets and current tax liabilities are off set, and presented as net.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, carry forward tax losses, unused tax credit and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses, unused tax credit and allowances can be utilised. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets (including MAT credit entitlement) are reviewed at the end of each reporting period.

3.16 Borrowing Costs:

Borrowing costs specifically relating to the acquisition or construction of qualifying assets that necessarily takes a substantial period of time to get ready for its intended use are capitalized (net of income on temporarily deployment of funds) as part of the cost of such assets. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. For general borrowing used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period does not exceed the amount of borrowing cost incurred during that period. All other borrowing costs are expensed in the period in which they occur.

3.17 Earnings per share:

Basic earnings per share is computed using the net profit or loss for the year attributable to the shareholders' and weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed using the net profit or loss for the year attributable to the shareholders' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

3.18 Current and non-current classification:

The Company presents assets and liabilities in statement of financial position based on current/non-current classification.

The Company has presented non-current assets and current assets before equity, non-current liabilities and current liabilities in accordance with Schedule III, Division II of Companies Act, 2013 notified by Ministry of Corporate Affairs.

An asset is classified as current when it is:

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

All other assets are classified as non-current.

A liability is classified as current when it is:

a) Expected to be settled in normal operating cycle,
b) Held primarily for the purpose of trading,
c) Due to be settled within twelve months after the reporting period, or
d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Deferred tax assets / liabilities are classified as non-current assets / liabilities. The Company has identified twelve months as its normal operating cycle.

3.19 Fair value measurement:

The Company measures financial instruments at fair value at each balance sheet date.

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:

a) In the principal market for the asset or liability, or
b) In the absence of a principal market, in the most advantageous market for the asset or liability.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy.

3.20 Offsetting financial instruments:

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable rights to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable rights must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or counterparty.

Note 4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS:

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based on its assumptions and estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

4.1 Property, Plant and Equipment and Other Intangible Assets:

Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation to be recorded during any reporting period. The useful lives and residual values as per schedule II of the Companies Act, 2013 or are based on the Company's historical experience with similar assets and taking into account anticipated technological changes, whichever is more appropriate.

4.2 Income Tax:

The Company reviews at each balance sheet date the carrying amount of deferred tax assets (including Mat credit entitlement). The factors used in estimates may differ from actual outcome which could lead to an adjustment to the amounts reported in the financial statements.The Company has carry forward tax losses that are available for offset against future taxable profit. Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the unused tax losses or tax credits can be utilised. This involves an assessment of when those assets are likely to reverse, and a judgement as to whether or not there will be sufficient taxable profits available to offset the assets. This requires assumptions regarding future profitability, which is inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognised in respect of deferred tax assets and consequential impact in the statement of profit and loss.

4.3 Contingencies:

Management has estimated the possible outflow of resources at the end of each annual reporting financial year, if any, in respect of contingencies/claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

4.4 Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

4.5 Impairment of 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 Units (CGU) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent to those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to 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 cost of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

4.6 Defined benefits plans:

The Cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

4.7 Recoverability of trade receivable:

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

4.8 Provisions:

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

4.9 Fair value measurement of financial instruments :

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

KLASS PACK LIMITED

Notes to the Financial Statement for the Year ended 31st March 2021

Note 5 - Property, plant and equipment (Rs. in lakhs)

Particulars	Land - Freehold	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Total	Capital Work in Progress
COST								
As at 1st April, 2019	**1,126.14**	**942.12**	**2,679.80**	**66.19**	**52.25**	**38.22**	**4,904.72**	
Additions	27.81	-	1,549.19	9.64	-	5.76	**1,592.40**	
Disposals / Transfers	-	-	-	-	-	-	**-**	
As at 31st March, 2020	**1,153.95**	**942.12**	**4,228.99**	**75.83**	**52.25**	**43.98**	**6,497.12**	
Additions	-	-	981.32	3.45		3.10	**987.87**	
Disposals / Transfers	-	-	-	-	-	-	**-**	
As at 31st March, 2021	**1,153.95**	**942.12**	**5,210.31**	**79.28**	**52.25**	**47.08**	**7,484.99**	
DEPRECIATION								
As at 1st April, 2019	**-**	**69.60**	**837.01**	**27.13**	**24.34**	**19.79**	**977.87**	
Depreciation for the Year	-	15.57	469.32	8.44	6.65	8.05	**508.03**	
Disposals	-	-	-	-	-	-	**-**	
As at 31st March, 2020	**-**	**85.17**	**1,306.33**	**35.57**	**30.99**	**27.84**	**1,485.90**	
Depreciation for the Year	-	15.57	486.57	9.63	3.38	4.77	**519.92**	
Disposals	-	-	-	-	-	-	**-**	
As at 31st March, 2021	**-**	**100.74**	**1,792.90**	**45.20**	**34.37**	**32.61**	**2,005.82**	
NET BOOK VALUE								
As at 31st March, 2020	**1,153.95**	**856.95**	**2,922.66**	**40.26**	**21.26**	**16.14**	**5,011.22**	**36.79**
As at 31st March, 2021	**1,153.95**	**841.38**	**3,417.41**	**34.08**	**17.88**	**14.47**	**5,479.17**	**100.56**

5.1 In accordance with the Indian Accounting Standard (Ind AS 36) on " Impairment of Assets", the management during the year carried out an exercise of identifying the assets that may have been impaired in accordance with the said Ind AS . On the basis of review carried out by the management, there was no impairment loss on property, plant and equipment during the year ended 31st March, 2021.

5.2 Refer note 35 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

5.3 Certain property, plant and equipment are pledged as collateral against borrowings, the details related to which have been described in note 20.

KLASS PACK LIMITED
Notes to the Financial Statement for the Year ended 31st March 2021

Note 6 - Other Intangible Assets

	(Rs. in lakhs)
Particulars	**Other Intangible assets**
COST:	
As at 1st April, 2019	**2.33**
Additions	-
Disposals	-
As at 31st March, 2020	**2.33**
Additions	-
Disposals	-
As at 31st March, 2021	**2.33**
ACCUMULATED AMORTISATION:	
As at 1st April, 2019	**0.85**
Amortisation during the year	0.78
Disposals	-
As at 31st March, 2020	**1.63**
Amortisation during the year	0.51
Disposals	
As at 31st March, 2021	**2.14**
NET BOOK VALUE:	
As at 31st March, 2020	**0.70**
As at 31st March, 2021	**0.19**

6.1 Other Intangible assets represents Computer Software other than self generated.

Note 7 - Non-Current Investments

Particulars	**As at 31st March 2021 Quantity (Nos)**	**As at 31st March, 2020 Quantity (Nos)**	**Face Value (in Rs.)**	**As at 31st Mar, 2021 (Rs in lakhs)**	**As at 31st Mar, 2020 (Rs in lakhs)**
Investments carried at fair value through profit or loss					
(a) Equity Instruments:					
Unquoted Fully Paid-Up					
Others					
Bharat Co-op Bank	9900	9900	10	1.18	1.31
Total Non Current Investments				**1.18**	**1.31**

7.1 Aggregate value of unquoted non current investment is Rs. 1.18 lakhs (Previous Year Rs. 1.31 lakhs)

Note 8 - Non-current financial assets - Others

(Rs. In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unsecured, Considered Good:		
Security Deposits	22.60	22.60
Total	**22.60**	**22.60**

Note 9 Income Tax

9.1 The major components of Income Tax Expenses / (Income) for the year ended 31st March, 2021 and 31st March, 2020 are as follows:

(Rs. in lakhs)

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Recognised in Statement in Profit and Loss :		
Deferred Tax - Relating to origination and reversal of temporary differences	25.77	(97.21)
Total Tax Expenses / (income)	**25.77**	**(97.21)**

9.2 Reconciliation between tax expenses / (income) and accounting profit multiplied by tax rate for the year ended 31st March, 2021 and 31st March, 2020:

(Rs. in lakhs)

Particulars -	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Accounting Profit /(loss) before tax	148.51	(316.55)
Applicable tax rate	26.00%	26.00%
Computed Tax Expenses / (Income)	**38.61**	**(82.30)**
Tax effect on account of:		
Lower tax rate and Indexation	(5.85)	(4.40)
Related to property, plant and equipment	-	1.20
Deduction on payment basis	(0.55)	-
Expenses not allowed	0.18	(6.49)
Other deductions / allowances	(6.62)	(5.22)
Income tax expenses / (income) recognised in Statement of Profit and Loss	**25.77**	**(97.21)**

9.3 Deferred tax assets relates to the following:

(Rs. in lakhs)

Particulars	Balance Sheet		Statement of Profit and Loss and Other Comprehensive Income	
	As at 31st March, 2021	As at 31st March, 2020	For the Year Ended 31st March, 2021	For the Year Ended 31st March, 2020
Property, Plant and Equipment	(99.56)	(50.80)	(48.76)	(34.89)
Financial Instruments	0.13	0.08	0.05	0.03
Provision for Credit Impaired	16.08	10.95	5.13	3.46
Trade and Other Receivable	52.03	35.31	16.72	(11.74)
Inventories	0.52	(8.54)	9.06	22.78
Other Liabilities	10.96	-	10.96	
Unabsorbed Depreciation Loss	254.81	286.21	(31.40)	101.36
Disallowance under the Income Tax Act, 1961	92.59	80.67	11.92	16.18
Deferred Tax Assets / (Liabilities)	**327.56**	**353.88**	**(26.32)**	**97.18**

9.4 Reconciliation of deferred tax assets (net):

(Rs. in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Opening balance	**353.88**	**256.70**
Deferred Tax (expenses)/ credit recognised in Statement of Profit and Loss	(25.77)	97.21
Deferred Tax expenses recognised in OCI	(0.55)	(0.03)
Closing balance	**327.56**	**353.88**

9.5 Unused tax losses for which no deferred tax assets has been recognised is Rs. Nil (Previous year Rs. Nil)

Note 10 - Other Non-current Assets

(Rs. In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unsecured, Considered Good :		
Capital Advances	17.39	408.66
Prepaid Expenses	6.13	8.48
Total	**23.52**	**417.14**

Note 11 - Inventories

(Rs. In Lakhs)

Particulars		As at 31st March, 2021		As at 31st March, 2020
Raw Material		650.07		505.97
Work In Progress		42.84		58.56
Finished Goods				
Stock-in-transit	174.25		109.49	
Others	376.67	550.92	424.75	534.24
Stores, Spares and Consumables		123.31		65.17
Packing Material		94.28		43.96
Scrap(Cullet)		0.32		0.30
Total		**1,461.74**		**1,208.20**

11.1 The amount of write-down of inventories recognised for the year ended 31st Mar 2021 is Rs.99.63 lakhs (previous year Rs.41.05 Lacs). These are included in "Cost of Raw Material Consumed and in Changes in Inventories of work in progress and finished goods" in the statement of profit and loss.

11.2 For mode of valuation, refer note no. 3.4.

Note 12 - Current financial assets - Trade Receivables

(Rs. In Lakhs)

Particulars		As at 31st March, 2021		As at 31st March, 2020
Unsecured:				
Considered Good	1,312.90		1,133.43	
Credit Impaired	61.83		42.13	
	1,374.73		1,175.56	
Less : Provision for Credit Impaired (Refer Note 37 and 41)	61.83	1,312.90	42.13	1,133.43
Total		**1,312.90**		**1,133.43**

Note 13 - Cash and Cash Equivalents

(Rs. In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Balances with Banks in current accounts	69.66	7.82
Cash on Hand	3.51	6.65
Total	**73.17**	**14.47**

13.1 For the purpose of the statement of cash flow, cash and cash equivalents comprise the followings:

(Rs. In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Balances with Banks in current accounts	69.66	7.82
Cash on Hand	3.51	6.65
Total	**73.17**	**14.47**

Note 14 - Bank Balances Other than Cash and Cash Equivalents

(Rs. In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Earmarked Balances with bank :		
Fixed deposits pledged with a Bank against Bank Guarantee	77.39	73.39
Total	**77.39**	**73.39**

Note 15 - Current financial assets - Loans

(Rs. In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unsecured:		
Loan to Employees		
Considered Good	5.35	1.62
Total	**5.35**	**1.62**

Note 16 - Current financial assets - Others

(Rs. In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unsecured, Considered Good:		
Interest Receivables	2.39	1.90
Others	117.95	38.53
Total	**120.34**	**40.43**

16.1 Others includes discount receivable.

Note 17 - Other Current Assets

(Rs. In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unsecured, Considered Good:		
Export Incentives Receivable	17.04	11.38
Advances against supplies	27.03	23.07
Balance with Goods and Service Tax Authorities	189.34	222.61
Prepaid Expenses	22.57	22.64
Others	3.21	4.93
Total	**259.19**	**284.63**

17.1 Others includes license in hand and other receivables.

Note 18 - Equity Share Capital

(Rs. in lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Authorised		
15,00,000 (Previous Year 15,00,000) Equity Shares of Rs. 100/- each	1,500.00	1,500.00
	1,500.00	**1,500.00**
Issued, Subscribed & Fully Paid up		
13,96,738 (Previous Year 13,96,738) Equity Shares of Rs. 100/- each fully paid up	1,396.74	1,396.74
Total	**1,396.74**	**1,396.74**

18.1 Reconciliation of number of Equity Shares outstanding at the beginning and at the end of the year :

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	(in Nos.)	(Rs. in lakhs)	(in Nos.)	(Rs. in lakhs)
Shares outstanding at the beginning of the year	1,396,738	1,396.74	1,178,397	1,014.65
Add: Equity Shares issued and Fully paid up (Refer note 18.2)	-	-	218,341	218.34
Add: Amount Received on Partly paid up equity shares	-	-	-	163.75
Shares outstanding at the end of the year	**1,396,738**	**1,396.74**	**1,396,738**	**1,396.74**

18.2 During the previous year, the Company had issued any 2,18,341 fully paid up equity shares of Rs. 100/- each at a premium of Rs. 358/- per share. These shares have been issued to its Holding Company, Borosil Limited.

18.3 Terms/Rights attached to Equity Shares :
The Company has only one class of shares referred to as equity shares having a par value of Rs.100/- per share. Holders of equity shares are entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuring annual general meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

18.4 Shares held by Holding Company

Name of holding Company	As at 31st March, 2021		As at 31st March, 2020	
	No. of Shares	% of Holding	No. of Shares held	% of Holding
Borosil Limited (refer Note 18.6)	1,110,756	79.53%	1,110,756	79.53%

18.5 Details of Shareholder holding more than 5% of Equity Share Capital :

Name of Shareholder	As at 31st March, 2021		As at 31st March, 2020	
	No. of Shares	% of Holding	No. of Shares held	% of Holding
Borosil Limited	1,110,756	79.53%	1,110,756	79.53%
Shivganga Caterers Private Limited	95,400	6.83%	95,400	6.83%
Mrs. Pramila G. Amin	80,525	5.77%	80,525	5.77%
Mr. Prashant G. Amin	101,068	7.24%	101,068	7.24%

18.6 Pursuant to the order received from National Company Law Tribunal (NCLT) dated 15th January, 2020 in respect of Composite Scheme of Amalgamation and Arrangement between Vyline Glass Works Limited, Fennel Investment and Finance Private Limited, Gujarat Borosil Limited, Borosil Glass Works Limited and Borosil Limited, the Company has became the subsidiary of Borosil Limited w.e.f. 12th February, 2020.

18.7 There are no shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment.

18.8 There is no dividend paid or proposed during the year and during the previous year.

Note 19 - Other Equity

(Rs. In Lakhs)

Particulars		As at 31st March, 2021		As at 31st March, 2020
Retained Earnings				
As per Last Balance Sheet	(1,052.48)		(833.14)	
Add: Profit / (Loss) for the year	122.74	(929.74)	(219.34)	(1,052.48)
Securities Premium				
As per Last Balance Sheet	4,704.54		3,336.63	
Add: On issue of Shares	-	4,704.54	1,367.91	4,704.54
Other Comprehensive Income (OCI)				
As per Last Balance Sheet	1,110.86		1,110.78	
Add: Movements in OCI (net) during the year	1.57	1,112.43	0.08	1,110.86
Total		**4,887.23**		**4,762.92**

19.1 **Nature and Purpose of Reserve**

1. Securities Premium :
Securities Premium is created on issue of equity share capital. The reserve will be utilised in accordance with provisions of the Companies Act, 2013.

2. Other Comprehensive Income (OCI)
OCI includes Revaluation Reserve and Remeasurements of Defined Benefit Plans.

3. Revaluation Reserve (Part of OCI):
Revaluation reserve is created on revaluation of fixed assets. The reserve will be utilised in accordance with provisions of the Companies Act, 2013.

4. Retained Earnings: Retained earnings represents the accumulated profits / losses made by the Company over the years.

Note 20 - Non-current Financial Liabilities - Borrowings

(Rs. In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Secured Loan:		
Term Loans from a Bank	59.94	117.29
Total	**59.94**	**117.29**

20.1 Term Loans (including current maturities of long-term borrowings) are primarily secured by respective machineries and collateral secured by all piece and parcel of land lying at Village Gonde Dumala, within the limit of Nashik Zilla Parishad, Taluka Igatpuri & District Nashik and further hypothecation charge over existing all machineries. The same is carrying interest rate @ 10.30% p.a. Loan of Rs. 126.96 lakhs is repayable in 22 equal monthly instalments of Rs.5.58 lakhs and last instalment of Rs. 4.09 Lakhs.

Note 21 - Non-current Financial Liabilities - Provisions

(Rs. In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Provisions for Employee Benefits:		
Gratuity (Unfunded) (refer Note 36)	254.79	228.46
Total	**254.79**	**228.46**

Note 22 - Current Financial Liabilities - Borrowings

(Rs. In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Secured Loan:		
Bank Overdraft	-	520.33
Woking Capital Loan From Bank	600.00	-
Total	**600.00**	**520.33**

22.1 Bank Overdraft and Working Capital Loan from bank is secured by way of pledge of Debt Mutual Fund units (FMP) belonging to the Holding Company, Borosil Limited. The Rate of Interest of Working capital Loan is MCLR + Spread (Currently @ 6.90% p.a. and the interest rate of Bank Overdraft was at MCLR + Spread (@ 8.35% p.a.

Note 23 - Current Financial Liabilities - Trade Payables

(Rs. In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Micro, Small and Medium Enterprises	101.85	83.37
Others	1,248.27	982.91
Total	**1,350.12**	**1,066.28**

23.1 Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED 2006) have been determined based on the information available with the Company and the details of amount outstanding due to them are as given below:

(Rs. In Lakhs)

	Particulars	As at 31st March, 2021	As at 31st March, 2020
a)	the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year;	101.85	83.37
b)	the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
c)	the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
d)	the amount of interest accrued and remaining unpaid at the end of each accounting year;	0.71	1.46
e)	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Note 24 - Current financial liabilities - Others

(Rs. In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Current maturities of long-term borrowings - Term Loan	67.02	80.94
Interest accrued but not due on borrowing	1.66	1.80
Interest accrued and due on Others	0.71	1.46
Creditors for Capital Expenditure	134.33	8.99
Other Payables	330.99	258.10
Total	**534.71**	**351.29**

24.1 Other payables includes salaries, wages, bonus payable, other provision for expenses etc.

Note 25 - Other Current Liabilities

(Rs. In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Advance from Customers	103.27	89.00
Statutory liabilities	15.64	20.58
Total	**118.91**	**109.58**

Note 26 - Current Provisions

(Rs. In Lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Provisions for Employee Benefits		
Gratuity (Unfunded) (Refer Note 36)	15.62	12.65
Leave Encashment	49.24	38.92
Total	**64.86**	**51.57**

Note 27 - Revenues from Operations

(Rs. In Lakhs)

Particulars	For the Year ended 31st March 2021	For the Year Ended 31st Mar, 2020
Sale of Products	6,519.45	4,905.73
Revenue from Operations	**6,519.45**	**4,905.73**

27.1 Disaggregated Revenue:
(i) Revenue based on Geography:

(Rs. In Lakhs)

Particulars	For the Year ended 31st March 2021	For the Year Ended 31st Mar, 2020
Domestic	5,699.43	4,568.82
Export	820.02	336.91
Revenue from Operations	**6,519.45**	**4,905.73**

(ii) Revenue by Business Segment

(Rs. In Lakhs)

Particulars	For the Year ended 31st March 2021	For the Year Ended 31st Mar, 2020
Scientificware	6,519.45	4,905.73
Revenue from Operations	**6,519.45**	**4,905.73**

(iii) Reconciliation of Revenue from Operation with contract price:

(Rs. In Lakhs)

Particulars	For the Year ended 31st March 2021	For the Year Ended 31st Mar, 2020
Contract Price	6,519.45	4,905.73
Reduction towards variables considerations components	-	-
Revenue from Operations	**6,519.45**	**4,905.73**

Note 28 - Other Income

(Rs. In Lakhs)

Particulars	For the Year ended 31st March 2021	For the Year Ended 31st Mar, 2020
Interest Income from financial assets measured at amortised cost:		
- Fixed Deposits with banks	4.77	4.64
- Others	2.34	1.93
Dividend Income from financial assets measured at fair value through profit or loss:		
- Non-current Investments	-	0.16
Sundry credit balance written back (net)	0.26	1.62
Export Incentive	20.76	13.96
Gain on foreign currency transactions (net)	2.95	-
Miscellaneous income	23.98	14.04
Total	**55.06**	**36.35**

Note 29 - Changes in Inventories of Work-in-Progress and Finished Goods

(Rs. In Lakhs)

Particulars	For the Year ended 31st March 2021	For the Year Ended 31st Mar, 2020
At the end of the Year		
Work- In- Progress	42.84	58.56
Finished Goods	550.92	534.24
Scrap (Cullet)	0.32	0.30
	594.08	**593.10**
At the beginning of the Year		
Work- In- Progress	58.56	18.15
Finished Goods	534.24	445.07
Scrap (Cullet)	0.30	0.84
	593.10	**464.06**
Changes in Inventories of Work-in-Progress and Finished Goods	**(0.98)**	**(129.04)**

Note 30 - Employee Benefits Expense

(Rs. In Lakhs)

Particulars	For the Year ended 31st March 2021	For the Year Ended 31st Mar, 2020
Salaries, Wages and allowances	840.98	714.05
Contribution to Provident and Other Funds	42.92	45.62
Staff Welfare Expenses	69.25	73.31
Gratuity (unfunded) (Refer Note 36)	34.62	35.31
Total	**987.77**	**868.29**

Note 31 - Finance Costs

(Rs. In Lakhs)

Particulars	For the Year ended 31st March 2021	For the Year Ended 31st Mar, 2020
Interest Expenses on financial liabilities measured at amortised cost	63.29	88.77
Total	**63.29**	**88.77**

Note 32 - Depreciation and Amortisation Expense

(Rs. In Lakhs)

Particulars	For the Year ended 31st March 2021	For the Year Ended 31st Mar, 2020
Depreciation of Tangible Assets (refer Note 5)	519.92	508.03
Amortisation of Intangible Assets (refer note 6)	0.51	0.78
Total	**520.43**	**508.81**

Note 33 - Other Expenses

(Rs. In Lakhs)

Particulars	For the Year ended 31st March 2021	For the Year Ended 31st Mar, 2020
Manufacturing Expenses		
Stores, Spares and Consumable	164.99	192.19
Power, Fuel & Water Charges	575.76	500.75
Contract Labour Expenses	420.50	420.94
Packing Materials Consumed	385.16	216.81
Repairs to Plant & Machinery	37.22	16.02
Repairs to Buildings	0.11	2.66
Selling and Distribution Expenses		
Sales Promotion and Advertisement Expenses	8.90	33.47
Discount and Commission	25.66	8.46
Freight Outward	210.66	118.12
Administrative and General Expenses		
Rent	2.16	2.16
Rates and Taxes	6.80	19.38
Other Repairs	9.19	7.33
Insurance	26.13	15.07
Legal and Professional Fees	16.43	27.44
Director's Sitting Fees	2.80	3.00
Travelling	12.46	49.82
Loss on Foreign Currency Transactions (net)	-	0.99
Provision for Credit Impaired	19.70	13.34
Loss on Financial Instruments measured at fair value through profit and loss	0.13	0.10
Guarantee Commission	3.11	1.69
Payment to Auditors	7.25	6.16
Miscellaneous Expenses	54.78	54.40
Total	**1,989.91**	**1,710.31**

33.1 Details of Payment to Auditors

(Rs. In Lakhs)

Particulars	For the Year ended 31st March 2021	For the Year Ended 31st Mar, 2020
Payments to the auditor as:		
For Statutory Audit	5.50	4.50
For Tax Audit	1.75	1.50
For Taxation Matters		-
For Company Law Matters		-
For Other Service		-
For Reimbursement of Expenses		0.16
Total	**7.25**	**6.16**

Note 34 - Earnings Per Equity share (EPS)

Particulars	For the Year ended 31st March 2021	For the Year Ended 31st Mar, 2020
Net Profit (loss) after tax attributable to Equity Shareholders for Basic and Diluted EPS (Rs. in lakhs)	122.74	(219.34)
Weighted Average Number of Equity Shares Outstanding During the Year for Basic EPS (in Nos.)	1,396,738	1,267,583
Weighted Average Number of Equity Shares Outstanding During the Year for Diluted EPS (in Nos.)	1,396,738	1,316,799
Earnings per share of Rs. 100 each (in Rs.)		
- Basic	8.79	(17.30)
- Diluted	8.79	(17.30)
Face Value per Equity Share (in Rs.)	100.00	100.00

Note 35 - Contingent Liabilities and Commitments

35.1 Contingent Liabilities (To the extent not provided for)
Claims against the Company not acknowledged as debts

(Rs. in lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Bank Guarantee	71.20	71.20

35.2 Commitments

(Rs. in lakhs)

Particulars	As at 31st March 2021	As at 31st March 2020
Estimated amount of Contracts remaining to be executed on Capital Account not provided for (cash outflow is expected on execution of such capital contracts)		
-- Related to Property, Plant and Equipment	60.38	491.95

35.3 Management is of the view that above contingent liabilities will not have impact on the financial position of the company.

Note 36- Employee Benefits

36.1 As per Ind AS 19 ‘Employee Benefits’, the disclosure of Employee benefits as defined in the Ind AS are given below:

(a) Defined Contribution Plan:

Contribution to Defined Contribution Plan, recognized as expense for the year are as under:

(Rs. in lakhs)

Particulars	2020-21	2019-20
Employer’s Contribution to Provident Fund	18.00	18.35
Employer’s Contribution to Pension Scheme	22.12	19.64
Employer’s Contribution to ESIC	2.69	7.52
Employer’s Contribution to MLWF	0.11	0.11

The contribution to provident fund and pension scheme is made to Employees’ Provident Fund managed by Provident Fund Commissioner. The contribution towards ESIC made to Employees' State Insurance Corporation. The contribution towards MLWF is made to Maharashtra Labour welfare Fund. The obligation of the Company is limited to the amount contributed and it has neither further contractual nor any constructive obligation.

(b) Defined Benefit Plan:

The Gratuity benefits of the Company are unfunded. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Particulars	Gratuity (Unfunded) As at 31st March, 2021	Gratuity (Unfunded) As at 31st March, 2020
Actuarial assumptions		
Mortality Table	Indian Assured Lives Mortality (2012-14) Table	Indian Assured Lives Mortality (2012-14) Table
Salary growth	9.00% p.a.	0% p.a for next 1 year & 9.5% thereafter
Discount rate	6.45%	7.60%
Withdrawal rates	10% p.a at younger ages reducing to 2% p.a at older ages	10% p.a at younger ages reducing to 2% p.a at older ages

(Rs. in lakhs)

Particulars	Gratuity (Unfunded) 2020-21	Gratuity (Unfunded) 2019-20
Movement in present value of defined benefit obligation		
Obligation at the beginning of the year	241.11	212.38
Current service cost	18.54	19.33
Interest cost	16.08	15.98
Benefits paid	(3.20)	(6.47)
Actuarial (gains)/losses on obligations	(2.12)	(0.11)
Obligation at the end of the year	**270.41**	**241.11**
Current Provisions	15.62	12.65
Non-current Provisions	254.79	228.46
Amount recognised in the Statement of profit and loss		
Current service cost	18.54	19.33
Interest cost	16.08	15.98
Past service cost	-	-
Total	**34.62**	**35.31**
Amount recognised in the Other Comprehensive Income		
Actuarial (gains) / losses on obligations due to financial assumptions	(0.61)	3.39
Actuarial (gains) /losses on obligations due to experience adjustments	-	7.04
Actuarial (gains) /losses on obligations due to demographic assumption	(1.51)	(10.54)
Total	**(2.12)**	**(0.11)**

(c) Net Liability Recognised in the balance sheet

(Rs. in lakhs)

Amount recognised in the balance sheet	As at 31st March, 2021	As at 31st March, 2020
Present value of obligations at the end of the year	270.41	241.11
Less: Fair value of plan assets at the end of the year	-	-
Net liability recognized in the balance sheet	**270.41**	**241.11**

(d) The estimate of rate of escalation in Salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other retirement factors including supply and demand in the employment market. The above information is certified by the actuary.

36.2 Sensitivity analysis:

Particulars	Changes in assumptions	Effect on Gratuity - Increase/(Decrease) in obligation
For the year ended 31st March, 2020		
Discount rate	+0.5%	(12.33)
	-0.5%	13.32
Salary growth rate	+0.5%	11.10
	-0.5%	(10.78)
Withdrawal rate	W.R. X 110%	(1.21)
	W.R. X 90%	1.24
For the year ended 31st March, 2021		
Discount rate	+0.5%	(13.48)
	-0.5%	14.53
Salary growth rate	+0.5%	12.09
	-0.5%	(11.63)
Withdrawal rate	W.R. X 110%	(1.31)
	W.R. X 90%	1.35

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. In presenting the above sensitivity analysis, the present value of defined benefit obligation has been calculated using the projected unit credit method at the end of reporting period, which is the same as that applied in calculating the defined obligation liability recognized in the balance sheet.

36.3 The following payments are expected towards Gratuity in future years:

(Rs.in lakhs)

Year ended	Expected payment
31st March, 2022	13.70
31st March, 2023	15.52
31st March, 2024	11.53
31st March, 2025	14.89
31st March, 2026	15.03
31st March, 2027 to 31st March, 2031	106.76

36.4 Risk exposures

1) Actuarial Risk: It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate then the Gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate then the Gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the resignation date.

2) Liquidity Risk: Employees with high salaries and long durations or those higher in hierarchy accumulate significant level of benefits. If some of such employees resign/retire from the company there can be strain on the cash flows.

3) Market Risk: Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

4) Legislative Risk: Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation/regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

36.5 Details of Asset-Liability Matching Strategy:-

Gratuity benefits liabilities of the company are unfunded. There are no minimum funding requirements for a Gratuity benefits plan in India and there is no compulsion on the part of the Company to fully or partially pre-fund the liabilities under the Plan.

Since the liabilities are unfunded, there is no Asset-Liability Matching strategy deviced for the plan.

36.6 The average duration of the defined benefit plan obligation at the end of the reporting period is 10.33 years (Previous Year 10.61 years)

Note 37 - Provisions

Disclosures as required by Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets:-

37.1 Movement in provisions:-

(Rs. in lakhs)

Nature of provision	Provision for Credit Impaired	Total
As at 31st March, 2019	**28.79**	**28.79**
Addition during the year	13.34	13.34
As at 31st March, 2020	**42.13**	**42.13**
Addition during the year	19.70	19.70
As at 31st March, 2021	**61.83**	**61.83**

Note 38 - Segment Information

38.1 The company is primarily engaged in the business of manufacturing of packaging materials used in pharmaceutical companies, which is a single segment in terms of Ind AS 108 "Operating Segments".

38.2 Revenue From External Sales

(Rs. in lakhs)

Particulars	31st March, 2021	31st March, 2020
India	5,699.43	4,568.82
Outside India	820.02	336.91
Total Revenue As per statement of Profit or Loss	**6,519.45**	**4,905.73**

38.3 Revenue of Rs.1,639.01 Lakhs (Previous year Rs. Nil) from customers represents more than 10% of the company revenue for the year ended 31st March, 2021.

Note 39 - Related party disclosure

In accordance with the requirements of Ind AS 24 "Related Party Disclosures", name of the related party, related party relationship, transactions and outstanding balances including commitments where control exits and with whom transactions have taken place during reported periods, are as detail below:

39.1 List of Related Parties :

	Name of the related party	Country of incorporation	% of equity interest held by holding company	
			As at 31st March 2021	As at 31st March 2020
(a)	**Holding Company**			
	Borosil Limited	India	79.53%	79.53%

(b) Key Management Personnel

Mr. Prashant Amin - Managing Director
Mrs. Shweta Amin - Whole-time Director
Mr. Omkar Vaychal - Chief Financial Officer (w.e.f. 29.06.2020)
Mr. Vinod Parmar - Company Secretary

(c) Relative of Key Management Personnel

Mr. Gangadhar Amin

(d) Enterprises over which persons described in (c) and (d) above are able to exercise significant influence (Other Related Parties) or Key Management Personnel of Holding Company or their relatives having significant influence and with whom transactions have taken place:-

Borosil Renewables Limited
Shivganga Caterers Private Limited
G.P. (Nashik) Farm Private Limited
Keshar Sweets

39.2 Transactions with Related Parties :

(Rs. In lakhs)

Name of Transactions	Name of the Related Party	2020-21	2019-20
Transactions with holding company and fellow subsidiary			
Sale of Goods	Borosil Limited	749.93	320.48
Purchase of Goods	Borosil Limited	14.98	55.04
Interest Expenses	Borosil Limited	-	5.41
Guarantee Commission	Borosil Limited	3.11	1.69
Reimbursement of expenses to	Borosil Limited	10.08	4.81
Issue of Equity shares (Fully paid up) (Refer Note 18.2)	Borosil Limited	-	1,000.00
Issue of Equity shares (Partly paid up) (Refer Note 18.2)	Borosil Limited	-	750.00
Intercorporate Deposit	Borosil Limited	-	250.00
Transactions with other related parties:			
Purchase of Goods	Borosil Renewables Limited	0.50	-
Rent Expenses	Mr. Gangadhar Amin	2.16	2.16
Remuneration	Mr. Prashant Amin	53.27	53.57
	Mrs. Shweta Amin	10.48	9.18
	Mr. Vinod Parmar	4.91	4.58
	Mr. Omkar Vaychal	19.65	-
Purchase of Goods / Services	Shivganga Caterers Private Limited	50.92	55.41
	G.P. Farm (Nashik) Pvt Ltd	-	0.11
	Keshar sweets	2.40	2.64

(Rs. In lakhs)

Name of Transactions	Name of the Related Party	As at 31st March, 2021	As at 31st March, 2020
Balances with Holding Company and fellow subsidiary at the end of the year			
Trade Receivable	Borosil Limited	62.06	7.26
Trade Payable	Borosil Limited	28.79	14.29
Current financial liabilities - Others	Borosil Limited	13.28	21.19
Balances with other related parties at the end of the year:			
Trade Payable	Shivganga Caterers Private Limited	8.83	7.85
	Mr. Gangadhar Amin	0.17	-

39.3 Compensation of key management personnel of the Company (Rs. In lakhs)

Nature of transaction	2020-21	2019-20
Short-term employee benefits	89.30	67.33
Post-employment benefits	7.52	6.09
Total compensation of key management personnel	**96.82**	**73.42**

39.4 The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions except the transaction of rent expenses paid to Mr. Gangadhar Amin, for which the Company has made necessary compliance under sub-section (1) of Section 188 of the Companies Act, 2013 and has obtained approval from shareholders.

39.5 Outstanding balances at year-end are unsecured, unless specified and settlement occurs in cash. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Note 40 - Fair Values

40.1 Financial Instruments by category:

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial assets and liabilities that are recognised in the financial statements.

a) Financial Assets measured at fair value: (Rs. in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Financial Assets designated at fair value through profit and loss:-		
-- Investment	1.18	1.31

b) Financial Assets / Liabilities measured at amortised cost: (Rs. in lakhs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets designated at amortised cost:-				
- Trade Receivables	1,312.90	1,312.90	1,133.43	1,133.43
- Cash and cash equivalents	73.17	73.17	14.47	14.47
- Bank Balances other than cash and cash equivalents	77.39	77.39	73.39	73.39
- Loans	5.35	5.35	1.62	1.62
- Others	142.94	142.94	63.03	63.03
	1,611.75	**1,611.75**	**1,285.94**	**1,285.94**
Financial Liabilities designated at amortised cost:-				
- Non-current borrowings	59.94	59.94	117.29	117.29
- Current borrowings	600.00	600.00	520.33	520.33
- Trade Payables	1,350.12	1,350.12	1,066.28	1,066.28
- Other Financial Liabilities	534.71	534.71	351.29	351.29
	2,544.77	**2,544.77**	**2,055.19**	**2,055.19**

40.2 Fair Valuation techniques

The Company maintains procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount 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 following methods and assumptions were used to estimate the fair values:

i) Fair value of trade receivable, cash and cash equivalents, other bank balances, trade payables, borrowings, deposits and other financial assets and liabilities are approximate at their carrying amounts largely due to the short-term maturities of these instruments.

ii) The fair values of Non-current Borrowings and Security Deposits are approximate at their carrying amount due to interest bearing features of these instruments.

iii) The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

40.3 Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation techniques:-

i) **Level 1 :-** Quoted prices / published NAV (unadjusted) in active markets for identical assets or liabilities. It includes fair value of financial instruments traded in active markets and are based on quoted market prices at the balance sheet date and financial instruments like mutual funds for which net assets value (NAV) is published by mutual fund operators at the balance sheet date.

ii) **Level 2 :-** Inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). It includes fair value of the financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on the Company specific estimates. If all significant inputs required to fair value an instrument are observable then instrument is included in level 2.

iii) **Level 3 :-** Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

As per above hierarchy, the sole investment of the Company in equity shares of Bharat Co-op Bank Ltd is grouped under Level 3 (Significant unobservable inputs).

40.4 Description of the inputs used in the fair value measurement:

Following table describes the valuation techniques used and key inputs to valuation for level 3 of the fair value hierarchy as at 31st March, 2021 and 31st March, 2020 respectively:

(Rs. in lakhs)

Particulars	As at 31st March, 2021	Valuation Technique	Inputs used	Sensitivity
Financial Assets designated at fair value through profit or loss:				
-- Unlisted equity investments	1.18	Book Value	Financial statements	No material impact on fair valuation

Particulars	As at 31st March, 2020	Valuation Technique	Inputs used	Sensitivity
Financial Assets designated at fair value through profit or loss:				
-- Unlisted equity investments	1.31	Book Value	Financial statements	No material impact on fair valuation

40.5 Reconciliation of fair value measurement categorised within level 3 of the fair value hierarchy:-

Financial Assets designated at fair value through profit or loss - Investments

Particulars	Rs. in lakhs
Fair value as at 1st April, 2019	**1.41**
Loss on financial instruments measured at fair value through profit or loss (net)	(0.10)
Purchase / Sale of financial instruments	-
Amount transferred to / from Level 3	-
Fair value as at 31st March, 2020	1.31
Loss on financial instruments measured at fair value through profit or loss (net)	(0.13)
Purchase / Sale of financial instruments	-
Amount transferred to / from Level 3	-
Fair value as at 31st March, 2021	1.18

40.6 Description of the valuation processes used by the Company for fair value measurement categorised within level 3:-

At each reporting date, the Company analyses the movements in the values of financial assets and liabilities which are required to be remeasured or reassessed as per the accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Company also compares the change in the fair value of each financial asset and liability with relevant external sources to determine whether the change is reasonable. The Company also discusses of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Company has determined classes of financial assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Note 41 :- Financial Risk Management: - Objectives and Policies

The Company is exposed to market risk, credit risk and liquidity risk. Risk management is carried out by the company under policies approved by the board of directors. This Risk management plan defines how risks associated with the Company will be identified, analysed, and managed. It outlines how risk management activities will be performed, recorded, and monitored by the Company. The basic objective of risk management plan is i) to implement an integrated risk management approach to ensure all significant areas of risks are identified, understood and effectively managed, ii) to promote a shared vision of risk management and encourage discussion on risks at all levels of the organization to provide a clear understanding of risk/benefit trade-offs, iii) to deploy appropriate risk management methodologies and tools for use in identifying, assessing, managing and reporting on risks, and to determine the appropriate balance between cost and control of risk and deploy appropriate resources to manage/optimize key risks.

Activities are developed to provide feedback to management and other interested parties (e.g. Board etc). The results of these activities ensure that risk management plan is effective in the long term.

41.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: foreign currency rate risk, interest rate risk and other price risks, such as commodity risk.

The sensitivity analyses given is relate to the position as at 31st March 2021 and 31st March 2020.

The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligations, provisions and on the non-financial assets and liabilities. The sensitivity of the relevant statement of profit and loss item is the effect of the assumed changes in the respective market risks. The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates. This is based on the financial assets and financial liabilities held as at 31st March, 2021 and 31st March, 2020.

(a) Foreign exchange risk and sensitivity

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities. The Company transacts foreign business primarily in EURO and USD. The Company has foreign currency trade payables and is therefore, exposed to foreign exchange risk. The Company is regularly reviews and evaluates exchange rate exposure arising from foreign currency transactions.

The following table demonstrates the sensitivity in the USD, EURO to the Indian Rupee with all other variables held constant. The impact on the Company's profit / loss before tax due to changes in the fair values of monetary assets and liabilities is given below:

Unhedged Foreign currency exposure as at 31st March, 2021	Currency	Amount in FC	Rs. in lakhs
Trade Payable	EURO	200,461.13	174.56
Trade Payable	USD	1,791.80	1.33
Trade Receivable	EURO	5,029.32	4.29
Trade Receivable	USD	9,416.00	6.88

Unhedged Foreign currency exposure as at 31st March, 2020	Currency	Amount in FC	Rs. in lakhs
Trade Payable	EURO	36,157.69	30.46
Trade Receivable	USD	20,904.81	15.58

Foreign currency sensitivity

1% increase or decrease in foreign exchange rates will have the following impact on profit / loss before tax :-

(Rs. in lakhs)

Particulars	2020-21 Decrease / (Increase) in Profit Before tax		2019-20 Decrease / (Increase) in loss before tax	
	1% Increase	1% Decrease	1% Increase	1% Decrease
EURO	1.70	(1.70)	(0.30)	0.30
USD	(0.06)	0.06	0.16	(0.16)
Total	**1.65**	**(1.65)**	**(0.14)**	**0.14**

b) Interest rate risk and sensitivity :-

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 is having long term borrowings in the form of term loan from bank. Further, the company is having short term borrowings in the form of Overdraft facility / working capital loan from bank. The Company is exposed to interest rate risk associated with term loan and bank overdraft facility / working capital loan due to floating rate of interest.

The table below illustrates the impact of a 2% increase in interest rates on interest on financial liabilities assuming that the changes occur at the reporting date and has been calculated based on risk exposure outstanding as of date. The year end balances are not necessarily representative of the average debt outstanding during the year. This analysis also assumes that all other variables, in particular foreign currency rates, remain constant.

(Rs. in lakhs)

Particulars	2020-21 Decrease / (Increase) in Profit before Tax		2019-20 Decrease / (Increase) in loss before tax	
	2% Increase	2% Decrease	2% Increase	2% Decrease
Term Loan	2.54	(2.54)	(3.96)	3.96
Bank Overdraft	-	-	(10.41)	10.41
Working Capital from Bank	12.00	(12.00)	-	-
Total	**14.54**	**(14.54)**	**(14.37)**	**14.37**

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

c) Commodity price risk:-

The Company continues its dependence on single supplier of primary raw material due to excellent product Quality and un-matched service. Supplier is maintaining a stable pricing structure for its products.

41.2 Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forwarding-looking information such as:

i) Actual or expected significant adverse changes in business,
ii) Actual or expected significant changes in the operating results of the counterparty,
iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
iv) Significant increase in credit risk on other financial instruments of the same counterparty,
v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the statement of profit and loss. The Company measures the expected credit loss of trade receivables based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

a) Trade Receivables:-

The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings with the Company for extension of credit to customers. The Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. For a customer accounting for 10% or more of revenue in any of the years presented, refer note 38 . The Company does not expect any material risk on account of non performance by any of the Company's counterparties.

b) Financial instruments and cash deposits:-

The Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances are maintained. Credit risk from balances with bank is managed by the Company's finance department. Investment of surplus funds are also managed by finance department. The Company does not maintain significant cash in hand. Excess balance of cash other than those required for its day to day operations is deposited into the bank.

For other financial instruments, the finance department assesses and manage credit risk based on internal assessment. Internal assessment is performed for each class of financial instrument with different characteristics.

41.3 Liquidity risk.

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses. The Company's objective is to, at all times, maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company relies operating cash flows and short term borrowings in the form of bank overdraft facility and working capital loan to meet its needs for funds. Company does not breach any covenants (where applicable) on any of its borrowing facilities. The Company has access to a sufficient variety of sources of funding as per requirement.

The table below provides undiscounted cash flows towards financial liabilities into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date.

(Rs. in lakhs)

Particulars	Maturity					Carrying Amount
	On demand	0 - 3 Months	3 - 6 Months	6 - 12 months	More than 1 year	
As at 31st March, 2020						
Non-current borrowings	-	-	-	-	117.29	**117.29**
Current borrowings	520.33	-	-	-	-	**520.33**
Trade Payables	-	1,066.28	-	-	-	**1,066.28**
Other financial liabilities	-	297.54	20.24	33.51	-	**351.29**
Total	**520.33**	**1,363.82**	**20.24**	**33.51**	**117.29**	**2,055.19**
As at 31st March, 2021						
Non-current borrowings	-	-	-	-	59.94	**59.94**
Current borrowings	-	600.00	-	-	-	**600.00**
Trade Payables	-	1,350.12	-	-	-	**1,350.12**
Other financial liabilities	-	452.53	16.74	65.44	-	**534.71**
Total	**-**	**2,402.65**	**16.74**	**65.44**	**59.94**	**2,544.77**

41.4 Competition and price risk

The Company faces competition from local and foreign competitors. Nevertheless, it believes that it has competitive advantage in terms of high quality products and by continuously upgrading its expertise to meet the needs of its customers.

Note 42: Capital Management

For the purpose of Company's capital management, capital includes issued capital, all other equity reserves and debts. The primary objective of the Company's capital management is to maximise shareholders value. The Company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants.

The Company monitors capital using gearing ratio, which is net debt divided by total capital (equity plus net debt). Net debt are non-current and current debts as reduced by cash and cash equivalents and current investments. Equity comprises all components including other comprehensive income.

(Rs. In lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Total Debt	726.96	718.56
Less:- Cash and cash equivalent	73.17	14.47
Net Debt	**653.79**	**704.09**
Total Equity (Equity Share Capital plus Other Equity)	**6,283.97**	**6,159.66**
Total Capital (Total Equity plus net debt)	**6,937.76**	**6,863.75**
Gearing ratio	**9.42%**	**10.26%**

Note 43 :

The Management and authorities have the power to amend the Financial Statements in accordance with section 130 and 131 of The Companies Act, 2013.

Note 44 :

The outbreak of Corona virus (COVID-19) pandemic is causing significant disturbance and slowdown of economic activities all over the world including India. The Company's operations and financials particularly during the first half of the year under review were impacted due to COVID-19. The Company has taken into account the possible impact of COVID-19 in preparation of the financial statements, including assessment of recoverable value of its assets such as Trade receivable, Inventories and Investment etc. and current indicators of future economic conditions. The Company will continue to closely monitor any material changes arising out of future economic conditions and impact on its business.

Note 45:

Previous Year figures have been regrouped and rearranged wherever necessary.

As per our report of even date

For and on behalf of the Board of Directors

For PATHAK H.D. & ASSOCIATES LLP
Chartered Accountants
(Firm Registration No. 107783 W / W100593)

Sd/-
Shreevar Kheruka
Director
(DIN 01802416)

Sd/-
Prashant Amin
Managing Director
(DIN 00626079)

Sd/-
Gyandeo Chaturvedi
Partner
Membership No. 46806

Sd/-
Omkar Vaychal
(Chief Financial Officer)

Sd/-
Vinod Parmar
Company Secretary
(Membership No. ACS-44585

Place : Mumbai
Date : 21.05.2021