

INDEPENDENT AUDITOR'S REPORT

To the Members of Knovea Pharmaceutical Private Limited

Report on the Audit of the Ind AS Financial Statements**Opinion**

We have audited the accompanying Ind AS financial statements of Knovea Pharmaceutical Private Limited ("the Company"), which comprises of the Balance sheet as at March 31, 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of material 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 Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Other Information

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

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



Responsibility of Management for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity 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 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, 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 accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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 Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to 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.



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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS 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, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (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 except, for the matters stated in the paragraph (vi) below on reporting under Rule 11(g);
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended, specified under section 133 of the Act;
 - (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under Section 143(3)(b) and paragraph (vi) below on reporting under Rule 11(g)



- (g) With respect to the adequacy of the internal financial controls with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (h) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2024;
- (i) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any 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;
 - iv.
 - a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
 - v. No dividend has been declared or paid during the year by the Company



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Chartered Accountants

- VI. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that, audit trail feature is not enabled for certain changes made using privileged/ administrative access rights, as described in note 37 to the financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of accounting software where audit trail has been enabled.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003



per **Anil Jobanputra**

Partner

Membership Number: 110759

UDIN: 24110759BKEBCN6489

Place of Signature: Mumbai

Date: August 22, 2024



Annexure 1 referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

Re: Knovea Pharmaceutical Private Limited (the "Company")

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has not capitalized any intangible assets in the books of the Company and accordingly the requirement to report under 3(i)(a)(B) of the order is not applicable to the Company and hence not reported upon.
- (b) All Property, Plant and Equipment have not been physically verified by management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 2(a, b & c) to the financial statements are held in the name of the Company except 1 immovable property as mentioned below for which title deeds were not available for which registration of the title deeds is in process.

Description of Property	Gross carrying value (INR in million)	Held in name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in the name of Company*
Lease hold land	157.29	STI India Limited	No	1 year	The Company has agreed to purchase the asset under SARFAESI Act from the Asset Reconstruction Company JMARC and registration of the title deeds is in process.

- (d) The Company does not follow the revaluation model for subsequent measurement of its Property, Plant and Equipment (including Right of use assets) or intangible assets. Accordingly, the requirement to report on clause 3(i)(d) of the Order is not applicable to the Company and hence not reported upon.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder. Accordingly, the requirement to report on clause 3(i)(e) of the Order is not applicable to the Company and hence not reported upon.
- ii. (a) Inventory has been physically verified by management during the year. In our opinion, the frequency of verification by management is reasonable and the coverage and procedure for



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such verification is appropriate. No discrepancies of 10% or more in aggregate for each class of inventory were noticed in respect such inventories.

- (b) The Company has not been sanctioned working capital limits in excess of INR five crore in aggregate from banks or financial institutions at any point of time during the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company and hence not reported upon.
- iii. (a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company and hence not reported upon.
- (b) During the year, the Company has not made investments, provided guarantees, provided security, and granted loans advances in the nature of loans to companies, firms, Limited Liability Partnerships, or other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company and hence not reported upon.
- (c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships, or any other parties. Accordingly, the requirement to report on clause 3(iii) (c to f) of the Order is not applicable to the Company hence not commented upon.
- iv. There are no loans, investments, guarantees, and security in respect of which provisions of section 185 and 186 of the Companies Act, 2013 are applicable and accordingly the requirement to report on clause 3(iv) of the Order is not applicable to the Company and hence not reported upon.
- v. The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company and hence not reported upon.
- vi. The Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.
- vii. (a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities, where applicable. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) There are no dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues which have not been deposited on account of any dispute.
- viii. The Company has not surrendered or disclosed any transaction, previously not recorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company and hence not reported upon.
- ix. (a) The Company has not defaulted in repayment of loans or other borrowings or in payment of interest thereon to any lender.



- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) Term loans were applied for the purpose for which the loans were obtained.
- (d) On an overall examination of the Ind AS financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not have any subsidiary, associate, or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company and hence not reported upon.
- (f) The Company does not have any subsidiary, associate, or joint venture. Hence, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company and hence not reported upon.
- x. (a) The Company has not raised any money during the year by way of initial public offer/further public offer (including debt instruments). Hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company and hence not reported upon.
- (b) The Company has not made any preferential allotment or private placement of shares/ fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company and hence not reported upon.
- xi. (a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section 12 of section 143 of the Companies Act, 2013 has been filed by cost auditor/secretarial auditor or by us in Form ADT-4, as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) to (c) of the Order is not applicable to the Company and hence not reported upon.
- xiii. Transactions with related parties are in compliance with section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the Ind AS financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177 of the Act is not applicable to the Company and hence not commented upon by us.
- xiv. The Company is not required to have an internal audit system under the provisions of Section 138 of the Companies Act, 2013. Therefore requirement to report on clause (xvi)(a) and 3(xiv)(b) of the Order is not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence the requirement to report on clause 3(xv) of the Order is not applicable to the Company and hence not reported upon.



- xvi. (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company and hence not reported upon.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company and hence not reported upon.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company and hence not reported upon.
- (d) Based on the information and explanation provided by the management of the Company, there is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company and hence not reported upon. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.
- xvii. The Company has incurred cash losses amounting to Rs. 99.9 million in the current year and amounting to Rs 58.8 million in the immediately preceding financial year respectively.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the requirement to report on clause 3(xviii) of the Order is not applicable to the Company and hence not reported upon.
- xix. According to the information and explanations given to us and on the basis of the financial ratios disclosed in note 36 to the Ind AS financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Ind AS financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. The provisions of Section 135 to the Companies Act, 2013 in relation to Corporate Social Responsibility is not applicable to the Company. Accordingly, the requirement to report on clause 3(xx)(a)/ 3(xx)(b) of the Order is not applicable to the Company.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per **Anil Jobanputra**

Partner

Membership Number: 110759

UDIN: 24110759BKEBCN6489

Place of Signature: Mumbai

Date: August 22, 2024



ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF Knovea Pharmaceutical Private Limited**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to Ind AS financial statements of Knovea Pharmaceutical Private Limited ("the Company") as of March 31, 2024, in conjunction with our audit of the Ind AS 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 over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 these Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. 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 these Ind AS 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 these Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Ind AS financial statements included obtaining an understanding of internal financial controls with reference to these Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS 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 these Ind AS financial statements.

Meaning of Internal Financial Controls with Reference to these Ind AS Financial Statements

A company's Internal financial controls with reference to Ind AS 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 controls with reference to Ind AS 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 Ind AS Financial Statements

Because of the inherent limitations of internal financial controls with reference to Ind AS 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 Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to Ind AS 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 Ind AS financial statements and such internal financial controls with reference to Ind AS financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

**per Anil Jobanputra**

Partner

Membership Number:

UDIN: 24110759BKEBCN6489

Place of Signature: Mumbai

Date: August 22, 2024



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Particulars	Notes	As at March 31, 2024	As at March 31, 2023
		Rs. in Million	Rs. in Million
Assets			
Non-current assets			
Property, plant and equipment	2a	600.15	134.30
Capital work-in-progress	2b	1,251.88	1,066.05
Investment properties	2c	155.07	-
Financial assets			
Others financial assets	3	2.52	1.53
Other non-current assets	4	551.57	585.28
Total non-current assets		2,561.19	1,787.16
Current assets			
Inventories	5	39.07	-
Financial assets			
Trade receivables	6	0.37	-
Cash and cash equivalents	7	3.06	2.08
Other bank balances	7a	-	8.58
Other financial assets	3	11.61	0.81
Other current assets	4	3.29	84.83
Current tax asset (net)	23	-	2.01
Total current assets		57.40	98.31
Total assets		2,618.59	1,885.47
Equity and Liabilities			
Equity			
Equity share capital	8	10.00	10.00
Other equity	9	204.65	314.94
Total equity		214.65	324.94
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	10	1,980.20	1,483.36
Provisions	12	2.36	0.67
Deferred tax liabilities (net)	23	-	5.84
Total non-current liabilities		1,982.56	1,490.07
Current liabilities			
Financial liabilities			
Borrowings	10	-	0.18
Trade payables	14		
Due to micro and small enterprises		1.31	1.54
Due to others		27.45	11.62
Other financial liabilities	11	23.19	48.99
Other current liabilities	13	334.58	6.13
Provisions	12	4.36	1.99
Current tax liabilities (net)	23	30.49	-
Total current liabilities		421.38	70.46
Total liabilities		2,403.94	1,560.53
Total equity and liabilities		2,618.59	1,885.47

Material accounting policies

1.1

The accompanying notes form an integral part of the financial statements.

For S R B C & CO LLP

ICAI firm registration number: 324882E/E300C03

Chartered Accountants

per Anil Jobanputra

Partner

Membership no.: 110759

Place: Mumbai

Date: August 22, 2024

Anil Satwani

Director

DIN: 00041531

Place: Indore

Date: August 22, 2024

For and on behalf of the Board of Directors of
Knovea Pharmaceutical Private Limited

Sumit Gupta

Director

DIN: 06401402

Place: Mumbai

Date: August 22, 2024

Rohit Mantri

Director

DIN: 07435803

Place: Mumbai

Date: August 22, 2024

Raghavender Ramachandran
Chief Financial Officer

Place: Indore

Date: August 22, 2024

Knovea Pharmaceutical Private Limited
Statement of profit and loss for the year ended March 31, 2024

Particulars	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023
		Rs. in Million	Rs. in Million
Income			
Revenue from operations	15	0.41	0.32
Other income	16	1.08	0.25
Total income		1.49	0.57
Expenses			
Cost of raw materials, packing material and consumables consumed	17	0.06	-
Employee benefit expenses	18	19.11	8.80
Other expenses	19	59.60	51.59
Total expense		78.76	60.39
Profit/(Loss) before interest, tax, depreciation and amortization		(77.27)	(59.82)
Depreciation and amortisation expense	21	9.99	5.22
Finance costs	20	2.85	0.05
Profit/(Loss) before tax for the year		(90.11)	(65.09)
Tax expense			
Current tax	23	28.23	-
Tax adjustments of earlier years		(2.78)	-
Deferred Tax	23	(5.69)	(1.05)
Income tax expense		19.76	(1.05)
Profit/(Loss) for the year		(109.87)	(64.04)
Other comprehensive income			
Items that will not be reclassified to profit and loss			
Re-measurements (losses) on defined benefit plans		(0.57)	(0.20)
Income tax effect on above		0.14	0.05
Other Comprehensive Income, net of tax		(0.43)	(0.15)
Total comprehensive income for the year, net of tax		(110.30)	(64.19)
Earnings per share - Face Value Rs. 10.00 per share			
Basic (in Rs.)	22	(109.87)	(64.04)
Diluted (in Rs.)		(109.87)	(64.04)
Material accounting policies	1.1		
The accompanying notes form an integral part of the financial statements.			

For S R B C & CO LLP

ICAI firm registration number: 324982E/E300003
Chartered Accountants

**For and on behalf of the Board of Directors of
Knovea Pharmaceutical Private Limited**

per Anil Jobanputra
Partner
Membership no.: 110759
Place: Mumbai
Date : August 22, 2024

Anil Satwani
Director
DIN : 00041531
Place: Indore
Date : August 22, 2024

Sumit Gupta
Director
DIN : 06401402
Place: Mumbai
Date : August 22, 2024

Rohit Mantri
Director
DIN : 07435803
Place: Mumbai
Date : August 22, 2024



Raghavender Ramachandran
Chief Financial Officer
Place: Indore
Date : August 22, 2024

Particulars	2023-24	2022-23
	Rs. in Million	Rs. in Million
Cash flow from operating activities		
Profit/ (Loss) before tax	(90.11)	(65.10)
Adjustment to reconcile profit before tax to net cash flows:		
Depreciation and amortisation	9.99	5.22
Unrealised foreign exchange loss	0.59	0.50
Interest income	(1.06)	(0.25)
Re-measurements (loss) on defined benefit plans	(0.57)	(0.20)
Finance Cost	2.85	0.05
Operating Profit/(loss) before working capital changes	(78.31)	(59.78)
Movement in Working Capital		
Decrease/(increase) in trade and other receivables and prepayments	(56.21)	(58.07)
Decrease/(increase) in inventories	(39.07)	-
Increase/(decrease) in trade payables and other payables	343.84	(15.60)
Increase/(decrease) in provisions	3.86	1.71
Cash used/(generated) from operations	174.11	(131.75)
Direct taxes (paid)/ refund received	7.05	(8.45)
Net cash flow (used)/from operating activities (A)	181.16	(140.20)
Cash Flow from investment activities		
Purchase of Property, plant and equipment including capital work in progress and capital advances	(674.02)	(1,125.31)
(Invest) of Margin money Bank deposit	(1.03)	(5.01)
Interest received	1.06	0.25
Net cash flow used in investing activities (B)	(673.99)	(1,130.07)
Cash flow from financing activities		
Loan from Holding company	522.67	925.71
Loan repaid to Holding company	(354.62)	(589.53)
Proceeds from Long Term borrowing	328.80	946.23
Repayment of Short term borrowing (Net)	(0.19)	(10.50)
Interest Paid	(2.85)	(0.05)
Net cash flow from financing activities (C)	493.81	1,271.86
Net increase/(decrease) in cash and cash equivalents (A+B+C)	0.98	1.80
Cash and cash equivalents at the beginning of the year	2.06	0.46
Cash and cash equivalents at the end of the year	3.06	2.06
	2023-24	2022-23
	Rs. in Million	Rs. in Million
Components of cash and cash equivalents (Refer note 7)		
Cash on hand	0.20	0.50
Balances with banks - in current accounts	2.86	1.58
Total cash and cash equivalents	3.06	2.08

Note :- Cash flow statement has been prepared under the indirect method as set out in Ind AS -7 specified under section 133 of the act.

For S R B C & CO LLP
ICAI firm registration number: 324982E/E300003
Chartered Accountants

For and on behalf of the Board of Directors of
Knovea Pharmaceutical Private Limited

per Anil Jobanputra
Partner
Membership no.: 110759
Place: Mumbai
Date: August 22, 2024



Anil Satwani
Director
DIN : 00041531
Place: Indore
Date: August 22, 2024



Sumit Gupta
Director
DIN : 06401402
Place: Mumbai
Date: August 22, 2024

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DIN : 07435803
Place: Mumbai
Date: August 22, 2024

Raghavender Ramachandran
Chief Financial Officer
Place: Indore
Date: August 22, 2024

Knovea Pharmaceutical Private Limited
Statement of Changes In Equity for the year ended March 31, 2024

A. Equity Share Capital

Particulars	Rs. in Million
As at March 31, 2022	10.00
Equity share capital issued during the year	-
As at March 31, 2023	10.00
Equity share capital issued during the year	-
As at March 31, 2024	10.00

B. Other Equity


Particulars	Reserves & Surplus	
	Retained earnings (Refer note 9)	Total other equity
	Rs. in Million	Rs. in Million
Balances as at March 31, 2022	379.13	379.13
Profit / (Loss) for the year	(64.04)	(64.04)
Other comprehensive income	(0.15)	(0.15)
Total comprehensive income for the year	(64.19)	(64.19)
Balances as at March 31, 2023	314.94	314.94
Profit / (Loss) for the year	(109.87)	(109.87)
Other comprehensive income	(0.43)	(0.43)
Total comprehensive income for the year	(110.30)	(110.30)
Balances as at March 31, 2024	204.65	204.65

Material accounting policies 1.1

The accompanying notes form an integral part of the financial statement

For SRBC & CO LLP

ICAI firm registration number: 324982E/E300003
Chartered Accountants


per Anil Jobanputra
Partner
Membership no.: 110759
Place: Mumbai
Date : August 22, 2024




Anil Salwan
Director
DIN : 00041531
Place: Indore
Date : August 22, 2024

**For and on behalf of the Board of Directors of
Knovea Pharmaceutical Private Limited**


Sumit Gupta
Director
DIN : 06401402
Place: Mumbai
Date : August 22, 2024


Rohit Mantri
Director
DIN : 07435803
Place: Mumbai
Date : August 22, 2024




Raghavender Ramachandran
Chief Financial Officer
Place: Indore
Date : August 22, 2024

Note 2c : Investment Properties

	Rs. in Million
Opening balance at 31st March 2022	-
Additions	-
Closing balance at 31 March 2023	-
Additions	157.29
Less :- Amortisation	-2.22
Closing balance at 31 March 2024	155.07

The Company's investment properties consist of one commercial property in India. The property has been amortised over the remaining lease period.

As at 31 March 2024 the fair values of the properties are INR 164.44 mn. These valuations are based on valuations performed by an accredited independent valuer.

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.



Note 3 : Other financial assets (unsecured, considered good)

Particulars	As at		As at	
	March 31, 2024		March 31, 2023	
	Rs. in Million		Rs. in Million	
	Non-current	Current	Non-current	Current
Financial assets at amortised cost				
Margin money deposits with banks*		9.61		-
Security deposits	2.52	-	1.53	-
Others		2.00		0.81
	2.52	11.61	1.53	0.81

* Company has provided margin money to bank for issuance of Bank Guarantee required for the purpose of EPCG licences.

Note 4 : Other assets (unsecured, considered good)

Particulars	As at		As at	
	March 31, 2024		March 31, 2023	
	Rs. in Million		Rs. in Million	
	Non-current	Current	Non-current	Current
Capital advance	416.36	-	585.28	-
Balance with government authorities	135.21	-		80.44
Prepaid expenses		0.55		1.84
Advances recoverable in kind	-	2.73	-	2.55
	551.57	3.29	585.28	84.83

Note 5 : Inventories (valued at lower of cost and net realisable value)

Particulars	As at	As at
	March 31, 2024	March 31, 2023
	Rs. in Million	Rs. in Million
Raw material, packing material and consumables [(March 31, 2023 : Rs. NIL.)]	39.07	0.00
	39.07	0.00

Note 6 : Trade Receivables (unsecured)

Particulars	As at	As at
	March 31, 2024	March 31, 2023
	Rs. in Million	Rs. in Million
Considered good	0.37	-
Considered doubtful	-	-
	0.37	-
Less: Provision for credit impaired	-	-
	0.37	-

There are no trade receivables which are due from directors or other officers of the Company either severally or jointly with any person. Also, there are no trade receivables which are due from firms or private companies, in which any director is a partner, a director or a member.

Trade receivables are non interest bearing and are generally on terms of 30 to 90 days. Above trade receivables are undisputed considered good and with ageing less than 6 months.

Note 7 : Cash and Cash Equivalents

Particulars	As at	As at
	March 31, 2024	March 31, 2023
	Rs. in Million	Rs. in Million
Balances with banks - in current accounts	2.86	1.58
Cash on hand	0.20	0.50
	3.06	2.08

Note 7a : Other bank balances

Particulars	As at	As at
	March 31, 2024	March 31, 2023
	Rs. in Million	Rs. in Million
Term Deposit	-	8.58
Margin money deposit*	0.00	8.58



Note 8 : Equity Share Capital

Particulars	As at March 31, 2024	As at March 31, 2023
	Rs. in Million	Rs. in Million
Authorised		
10,000,000 equity shares of Rs.10 each	100.00	100.00
Issued, Subscribed and Fully Paid-up		
1,000,000 equity shares of Rs.10 each	10.00	10.00
	<u>10.00</u>	<u>10.00</u>

a. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of shares	Rs. in Million	Number of shares	Rs. in Million
At the beginning of the period	10,00,000	10.00	10,00,000	10.00
Add: issued during the year	-	-	-	-
Outstanding at the end of the period	10,00,000	10.00	10,00,000	10.00

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. During the year ended March 31, 2024, the amount of per share dividend recognised as distributions to equity shareholders was Rs.Nil

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive 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.

c. Details of significant shareholders in the Company:

Particulars	As at March 31, 2024		As at March 31, 2023	
	Holding %	No. of shares	Holding %	No. of shares
Equity shares of Rs. 10 each fully paid up				
Symbiotec Pharamalab Private Limited	99.99%	9,99,999	99.99%	9,99,999
Anil Satwani (Nominee of Symbiotec Pharamalab Private Limited)	0.01%	1	0.01%	1

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

Note 9 : Other Equity

Particulars	Retained earnings	Total other equity
	Rs. in Million	Rs. in Million
Balances as at March 31, 2022	379.13	379.13
Addition during the year	-	-
Loss for the year	(64.04)	(64.04)
Other comprehensive income	(0.15)	(0.15)
Total comprehensive income for the year	(64.19)	(64.19)
Balances as at March 31, 2023	314.94	314.94
Addition during the year	-	-
Profit / (Loss) for the year	(109.87)	(109.87)
Other comprehensive income	(0.43)	(0.43)
Total comprehensive income for the year	(110.30)	(110.30)
Balances as at March 31, 2024	204.65	204.65

Nature and purpose of reserves:

a) Retained earnings are the profits that the Company has earned till date, less any transfers to General reserve and payment of dividend.

The above reserves will be utilised in accordance with the provisions of the Companies Act, 2013.



Note 10 : Borrowings (Unsecured)

(a) Long term Borrowings :

Particulars	As at March 31, 2024		As at March 31, 2023	
	Rs. in Million		Rs. in Million	
	Non-current	Current Maturities	Non-current	Current Maturities
Term loans				
Indian rupee term loans from banks	1,275.03	-	946.23	-
Loan from Subsidiary	705.17	-	537.13	-
	<u>1,980.20</u>	<u>-</u>	<u>1,483.36</u>	<u>-</u>

a) Term loan consists of rupee term loan amounting to Rs. 1275.03 mn (March 31, 2023: Rs. 946.23mn) From State Bank of India repayable in remaining 20 equal quarterly installments starting from 1st April 2025 i.e. post moratorium period. The rate of interest as on March 31, 2024 is 8% p.a. (i.e. @ Repo Plus 150 bps) (March 31, 2023: 8% p.a).

b) The above loans are secured by equitable mortgage by exclusive charge on land and building, Hypothecation over Plant & Machinery in the name of the Company. The above loans are also secured by way of personal guarantee of Mr. Anil Satwani the Director of the Company and corporate guarantee of Symbiotec Pharmed Private Limited the holding company.

c) Holding Company, Symbiotec Pharmed Private Limited, has provided unsecured loan to the company for funding of promoters Margin for the on going project. The loan alongwith interest is scheduled to be repaid by March'31 2029, However the company may choose to repay earlier at its discretion. The rate of interest is in line with average rate of interest charged by the bank.

Short-term borrowings (Unsecured)

Particulars	As at March 31, 2024	As at March 31, 2023
	Rs. in Million	Rs. in Million
Cash Credit / Current /Book Overdraft	-	0.19
	<u>-</u>	<u>0.19</u>



Note 11 : Other financial liabilities (current, at amortised cost)

Particulars	As at March 31, 2024	As at March 31, 2023
	Rs. in Million	Rs. in Million
Creditors for fixed assets	20.26	46.46
Employee related liabilities	2.87	2.53
Others *	0.06	0.00
	<u>23.19</u>	<u>48.99</u>

* 0.00 Amount Below INR 5000

Note 12 : Provisions

Particulars	As at March 31, 2024		As at March 31, 2023	
	Rs. in Million		Rs. in Million	
	Non-current	Current	Non-current	Current
Provision for employee benefits				
Provision for gratuity (refer note 24)	2.36	0.07	0.87	0.06
Provision for compensated absences	0.00	4.29		1.93
	<u>2.36</u>	<u>4.36</u>	<u>0.87</u>	<u>1.99</u>

Note 13 : Other Liabilities

Particulars	As at March 31, 2024		As at March 31, 2023	
	Rs. in Million		Rs. in Million	
	Non-current	Current	Non-current	Current
Statutory dues	-	4.16	-	6.13
Income billed but not accrued* (contract liability)	-	330.42	-	0.00
	<u>-</u>	<u>334.58</u>	<u>-</u>	<u>6.13</u>

* Refer significant accounting policy of revenue from contracts with customers

Note 14 : Trade Payables (current, at amortised cost)

Particulars	As at March 31, 2024	As at March 31, 2023
	Rs. in Million	Rs. in Million
a) Total outstanding dues to micro enterprises and small enterprises (refer note 27)	1.31	1.54
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	27.45	11.62
	<u>28.76</u>	<u>13.16</u>

Trade payables are non-interest bearing and generally have a payment term of 30 days to 120 days.

Trade payables ageing

As at 31st March, 2024	Outstanding for following periods from due date of payment					Total
	Not due Rs. in Million	Less than 1 year Rs. in Million	1-2 years Rs. in Million	2-3 years Rs. in Million	More than 3 Year Rs. in Million	
Total Outstanding dues of micro enterprises and small enterprises	0.93	0.38	-	-	-	1.31
Total outstanding dues of creditors other than micro and small enterprises	19.10	8.35	-	-	-	27.45
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	<u>20.03</u>	<u>8.73</u>	<u>0.00</u>	<u>-</u>	<u>-</u>	<u>28.76</u>

As at 31st March, 2023	Outstanding for following periods from due date of payment					Total
	Not due Rs. in Million	Less than 1 year Rs. in Million	1-2 years Rs. in Million	2-3 years Rs. in Million	More than 3 Years Rs. in Million	
Total Outstanding dues of micro enterprises and small enterprises	0.05	1.49	-	-	-	1.54
Total outstanding dues of creditors other than micro and small enterprises	10.26	1.35	0.01	-	-	11.62
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	<u>10.31</u>	<u>2.84</u>	<u>0.01</u>	<u>-</u>	<u>-</u>	<u>13.16</u>



Note 15 : Revenue from Operations

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
	Rs. in Million	Rs. in Million
Sale of products		
Finished goods	0.31	-
Other operating revenue		
Scrap and other sales	0.10	0.32
	<u>0.41</u>	<u>0.32</u>

Revenue from contracts with customers

	For the year ended March 31, 2024	For the year ended March 31, 2023
	Rs. in Million	Rs. in Million
India	0.41	0.32
Outside India	0.00	0.00
Total	<u>0.41</u>	<u>0.32</u>

Timing of revenue recognition

	For the year ended March 31, 2024	For the year ended March 31, 2023
	Rs. in Million	Rs. in Million
Goods transferred at a point in time	0.41	0.32
Services transferred over a period of time	0.00	0.00
Total	<u>0.41</u>	<u>0.32</u>

Details of deferred revenue

Total price allocated to the unsatisfied performance obligations are Rs. 742.9 Mn (USD 8.95 mn) as at March 31, 2024. The next milestone for this project is on completion of registration batches. The company will recognise this revenue when it has more visibility of its completion.

Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price :

	For the year ended March 31, 2024	For the year ended March 31, 2023
	Rs. in Million	Rs. in Million
Revenue as per contracted price	0.41	0.32
	<u>0.41</u>	<u>0.32</u>

Net revenue from sale of products & services

Note 16 : Other income

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
	Rs. in Million	Rs. in Million
Sundry balances written back	0.02	-
Interest income	1.06	0.25
	<u>1.08</u>	<u>0.25</u>

Note 17 : Consumption of raw materials, packing material and consumables

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
	Rs. in Million	Rs. in Million
Inventory at the beginning of the year		
Add : Purchases	39.12	-
Less : Inventory at the end of the year	(39.07)	-
Cost of raw material, packing material and consumables consumed	<u>0.05</u>	<u>0.00</u>

Note 18 : Employee benefit expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
	Rs. in Million	Rs. in Million
Salaries, wages and bonus	16.97	7.25
Contribution to provident and other funds	0.35	0.18
Gratuity expense (refer note 24)	0.07	0.00
Staff welfare expenses	1.72	1.37
	<u>19.11</u>	<u>8.80</u>



Note 20 : Finance costs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
	Rs. in Million	Rs. in Million
Others	2.85	0.05
	2.85	0.05

Note 19 : Other expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
	Rs. in Million	Rs. in Million
Consumption of stores and spares	4.13	6.20
Audit Fees	0.50	0.25
Repairs and Maintenance		
- Building	0.05	-
- Plant and Machinery	0.66	0.31
- Others	2.67	0.79
Rates and taxes	0.54	-
Communication expenses	0.22	0.09
Travelling and conveyance	4.80	0.07
Printing and stationery	1.53	0.62
Business promotion expenses	-	0.01
Legal and professional	27.76	36.68
CSR expenditure	-	5.03
Sundry balances written off	-	0.00
Loss on foreign exchange fluctuation	7.16	0.50
Bank charges	0.39	0.22
Miscellaneous expenses	9.19	0.82
	59.60	51.59

a) Payment to auditors
(Included in legal and professional fees above)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
	Rs. in Million	Rs. in Million
As auditor:		
Audit fee	0.50	0.25
	0.50	0.25

Note 21 : Depreciation expenses

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
	Rs. in Million	Rs. in Million
Depreciation of tangible assets (refer note 2a)	9.99	5.22
	9.99	5.22

Note 22 : Earning Per Share

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

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Net Profit/ (Loss) after tax as per statement of profit and loss (in Rs. Million)	(109.87)	(64.04)
Weighted average number of equity shares outstanding (in no's)	1.00	1.00
Earnings per share (basic and diluted) (in Rs.)	(109.87)	(64.04)



Knovea Pharmaceutical Private Limited
Notes to the financial statements for the year ended March 31, 2024

Note 2a : Property, plant and equipment

Particulars	Freehold Land		Buildings		Plant and Machinery		Electrical Installations		Furniture, Fittings and Equipments		Office Equipments		Computers		Vehicles		Total	
	Rs. in Million	Rs. in Million	Rs. in Million	Rs. in Million	Rs. in Million	Rs. in Million	Rs. in Million	Rs. in Million	Rs. in Million	Rs. in Million	Rs. in Million	Rs. in Million	Rs. in Million	Rs. in Million	Rs. in Million	Rs. in Million	Rs. in Million	Rs. in Million
As at March 31, 2022	93.68	4.83		32.99		2.91	1.59		0.92		3.80		2.71		0.10		140.71	
Additions*						0.22			0.11								3.14	
Disposals / Adjustment																		
As at March 31, 2023	93.68	4.83		32.99		3.13	1.59		1.03		6.51		3.11		0.10		143.85	
Additions*				99.60		24.34	0.76		0.22								473.62	
Disposals / Adjustment																		
As at March 31, 2024	93.68	104.43		378.58		27.47	2.35		1.25		9.62		5.49		0.10		617.47	
Depreciation																		
As at March 31, 2022	-	0.15		2.50		0.28	0.16		0.18		1.06		1.06		-		4.33	
Charge for the year		0.16		2.76		0.29	0.16		0.18		1.65		1.65		0.01		5.22	
Disposals/Write Off/Adjustments																		
As at March 31, 2023	-	0.31		5.26		0.57	0.32		0.36		2.71		2.78		0.01		9.55	
Charge for the year		0.32		3.42		0.79	0.21		0.24						0.01		7.77	
Disposals/Write Off/Adjustments																		
As at March 31, 2024	-	0.63		8.68		1.36	0.53		0.60		5.49				0.02		17.32	
Net book value																		
As at March 31, 2023	93.68	4.52		27.73		2.56	1.27		0.67		3.80		3.80		0.09		134.30	
As at March 31, 2024	93.68	103.80		369.90		26.11	1.82		0.65		4.13		4.13		0.08		600.15	

* Additions to fixed assets includes Rs. 3.09 mn (March 31, 2023: NIL) incurred towards inhouse R&D facility.

Note 2b : Capital work in progress

Particulars	As at March 31, 2024		As at March 31, 2023	
	Rs. in Million	Rs. in Million	Rs. in Million	Rs. in Million
As at March 31, 2023				
Additions	1,066.05		170.63	
Capitalised	654.00		895.42	
As at March 31, 2024	(468.17)		-	
	1,251.88		1,066.05	

Amount in CWIP includes borrowing cost of Rs 168.15 mn (2022-23 Rs 63.98 mn) & in PPE Rs. 36.91 mn. Term Loan Rate of Interest is 8 % p.a.





b) Capital work in progress (CWIP) ageing

	Amount in CWIP for a period of				As at March 31, 2024 Rs. In Million
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
	Rs. In Million	Rs. In Million	Rs. In Million	Rs. In Million	Rs. In Million
As at March 31, 2024	376.42	759.26	110.78	5.42	1251.88
Projects in progress					

	Amount in CWIP for a period of				As at March 31, 2023 Rs. In Million
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
	Rs. In Million	Rs. In Million	Rs. In Million	Rs. In Million	Rs. In Million
As at March 31, 2023	895.41	165.22	5.42	-	1066.05
Projects in progress					

Overdue Capital work in progress

	To be Completed in				As at March 31, 2024 Rs. In Million
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
	Rs. In Million	Rs. In Million	Rs. In Million	Rs. In Million	Rs. In Million
As at March 31, 2024	1251.88	-	-	-	1251.88
Projects in progress					

Overdue Capital work in progress

	To be Completed in				As at March 31, 2023 Rs. In Million
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
	Rs. In Million	Rs. In Million	Rs. In Million	Rs. In Million	Rs. In Million
As at March 31, 2023	-	-	-	-	-
Projects in progress					

SR



Note 23: Current And Deferred Tax

The major components of income tax expense for the years ended March 31, 2024 and March 31, 2023 are :-

	2023-24 Rs. in Million	2022-23 Rs. in Million
Current income tax:		
Current income tax charge	28.23	-
Adjustments in respect of current income tax of previous year	(2.78)	-
Total current tax expense	25.45	-
Deferred tax:		
Relating to origination and reversal of temporary differences	(5.69)	(1.05)
Income tax expense reported in the statement of profit or loss	19.76	(1.05)
OCI section		
Deferred tax related to items recognised in OCI during in the year:		
Net (loss)/gain on remeasurements of defined benefit plans*	0.14	0.05
Income tax charged to OCI	0.14	0.05

* Amount is below rounding off threshold

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2024:

	2023-24 Rs. in Million	2022-23 Rs. in Million
Accounting profit before tax from continuing operations	(90.68)	(65.29)
Accounting profit before income tax		
At India's statutory income tax rate of 17.16%	(15.56)	(11.20)
Adjustments in respect of current income tax of previous years	(2.78)	-
Unabsorbed loss on which no Tax Assets created	38.10	10.16
At the effective income tax rate of 17.16% (March 31,2023 17.16%)	19.76	(1.05)
Income tax expense reported in the statement of profit and loss	19.76	(1.05)

Non-current/ Current tax liabilities/ (Assets) (net)

	As at March 31, 2024 Rs. in Million	As at March 31, 2023 Rs. in Million
Opening balance	(2.01)	6.44
Add: Provisions (Net of tax paid)	32.50	(8.45)
Closing balance	30.49	(2.01)

Deferred tax assets (net)

Deferred tax relates to the following:

	As at March 31, 2024 Rs. in Million	As at March 31, 2023 Rs. in Million
Property, plant and equipment	11.38	6.47
Gratuity and leave encashment(Actuary report)	(1.15)	(0.49)
Provision of Bonus	(10.22)	(0.14)
Net deferred tax assets	0.00	5.84

Reconciliation of deferred tax assets (net):

	As at March 31, 2024 Rs. in Million	As at March 31, 2023 Rs. in Million
Opening balance as of April 1	5.84	6.94
Tax (income)/expense during the period recognised in profit or loss	(5.69)	(1.05)
Tax (income)/expense during the period recognised in OCI	(0.14)	(0.05)
Closing balance as at March 31	0.00	5.84

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.



Note 24 : Gratuity and other post employment plans

a) Defined contribution plan - provident fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service.

The Company has recognized following amounts as an expense in statement of profit and loss (refer note 18)

	For the year ended March 31, 2024	For the year ended March 31, 2023
	Rs. in Million	Rs. in Million
Contribution to Provident fund	0.35	0.18
	<u>0.35</u>	<u>0.18</u>

b) Defined benefit plans - gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on post employment at 15 days salary (last drawn salary) for each completed year of service as per the rules of the Company. The aforesaid liability is provided for on the basis of an actuarial valuation made at the end of the financial year.

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
	Rs. in Million	Rs. in Million
I Changes in present value of defined benefit obligations during the year		
Present value of defined benefit obligations at the beginning of the year	0.93	0.44
Interest Cost	0.07	0.03
Current Service Cost	0.87	0.43
Benefit Paid	-	(0.17)
Actuarial changes arising from changes in financial assumptions	0.02	(0.05)
Actuarial changes arising from changes in experience adjustments	0.55	0.25
Actuarial changes arising from changes in demographic adjustments	-	-
Present value of defined benefit obligations at the end of the year	<u>2.43</u>	<u>0.93</u>

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
	Rs. in Million	Rs. in Million
II Net (assets/liability) recognized in the Balance Sheet		
Present value of defined benefit obligations at the end of the year	2.43	0.93
Net liability- current (refer note 12)	0.07	0.06
Net liability- non current (refer note 12)	2.36	0.87

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
	Rs. in Million	Rs. in Million
III Expenses recognized in the Statement of Profit and Loss for the year		
Current service cost	0.87	0.43
Net interest cost	0.07	0.03
Total charged to Profit and loss	<u>0.94</u>	<u>0.46</u>

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
	Rs. in Million	Rs. in Million
IV Recognized in Other Comprehensive Income for the year		
Actuarial changes arising from changes in financial assumptions	0.02	(0.05)
Actuarial changes arising from changes in experience adjustments	0.55	0.25
Actuarial changes arising from changes in demographic adjustments	-	-
Recognised in Other Comprehensive Income	<u>0.57</u>	<u>0.20</u>



V Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
	Rs. in Million	Rs. in Million
Discount rate	7.20%	7.30%
Salary Growth Rate	8.00%	8.00%
Mortality rate	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)
Attrition Rates	20% at all ages	20% at all ages

VI Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	As at March 31, 2024	As at March 31, 2023
	Rs. in Million	Rs. in Million
Impact of 50 bps increase in discount rate	0.07	0.03
Impact of 50 bps decrease in discount rate	(0.07)	(0.03)
Impact of 100 bps increase in withdrawal rate	0.13	0.05
Impact of 100 bps decrease in withdrawal rate	(0.14)	(0.05)
Impact of 50 bps increase salary growth rate	(0.06)	(0.03)
Impact of 50 bps decrease salary growth rate	0.07	0.03

VII Maturity profile of defined benefit obligation

Particulars	As at March 31, 2024	As at March 31, 2023
	Rs. in Million	Rs. in Million
Expected Cashflows		
Year 1 Cashflow	0.07	0.06
Distribution %	1.80%	3.90%
Year 2 Cashflow	0.21	0.05
Distribution %	5.30%	3.40%
Year 3 Cashflow	0.29	0.10
Distribution %	7.50%	6.50%
Year 4 Cashflow	0.54	0.14
Distribution %	14.10%	9.00%
Year 5 Cashflow	0.40	0.24
Distribution %	10.30%	15.90%
Year 6 to Year 10 Cashflow	1.45	0.58
Distribution %	37.70%	37.50%

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognizes accumulated compensated absences based on actuarial valuation. Non-accumulating compensated absences are recognized in the period in which the absences occur. The Company recognizes actuarial gains or losses immediately in the statement of profit and loss.

Note 25 : Commitments and Contingencies**Capital and other commitments**

Particulars	As at March 31, 2024	As at March 31, 2023
	Rs. in Million	Rs. in Million
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	289.12	77.09



Note 26 : CSR Expenditure

Details of CSR Expenditure:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
	Rs. in Million	Rs. in Million
Gross amount required to be spent by the Company during the year		4.83
Gross amount actually spent by the Company during the year		
Particulars	For the year ended March 31, 2024 Rs. in Million	
	In cash	Yet to be paid in cash
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	-	-
Particulars	For the year ended March 31, 2023 Rs. in Million	
	In cash	Yet to be paid in cash
(i) Construction/acquisition of any asset	5.03	-
(ii) On purposes other than (i) above	-	-
Particulars	As at March 31, 2024	As at March 31, 2023
(a) Amount required to be spent by the company during the year	-	4.83
(b) Amount of expenditure incurred	-	5.03
(c) Set-off of excess spent of previous years, if any	-	(0.40)
(d) Shortfall / (surplus) at the end of the year	-	-
(e) Total of previous years shortfall	-	-
(f) Reason for shortfall	-	-
(g) Detail of related party transactions	-	-
(h) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	-	-

Note 27 : Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

	As at March 31, 2024	As at March 31, 2023
	Rs. in Million	Rs. in Million
Principal amount due to micro and small enterprises	1.31	1.48
Interest due on above*	0.00	0.05
	1.31	1.54

* Amount below INR 5000

- i) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year
- ii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.
- iii) The amount of interest accrued and remaining unpaid at the end of each accounting year
- iv) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006
- The above information has been determined to the extent such parties have been identified on the basis of information available with the Company.

Note 28 : Research & Development

Research and development costs, as certified by the management, debited to the statement of profit and loss:

	For the year ended March 31, 2024	For the year ended March 31, 2023
	Rs. in Million	Rs. in Million
Revenue expenses debited to appropriate heads of accounts	34.65	22.05
Depreciation on research and development assets	4.09	4.45
	38.74	26.50

During the year company has incurred capex expenditure of Rs. 3.09 mn incurred towards inhouse R&D facility.



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Note 29 : Related party transactions

Name of the related party and related party relationships

Related party where control exists

Shareholder Symbiotec Pharmalab Private Limited

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

i. Symbiotec Pharmalab Private Limited

Year ended	Interest Charged	Corporate Gurantee Commission	Loan taken	Loan repaid	Loan Outstanding
31 March, 2024	49.01	8.46	470.69	354.62	705.17
31 March, 2023	25.56	3.27	896.87	589.53	537.13

Year ended	Purchase of Goods	Amount Payable
31 March, 2024	15.80	-
31 March, 2023	3.91	1.74

* Maximum loan outstanding during the year was Rs 705.17 mn .

Terms and conditions of transactions with related parties:

All transactions with related parties are made in the ordinary course of business and are at arm's length. Mr. Anil Satwani has given personal gurantee for the Bank Term Loan taken by the company.



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Note 30: Segment Information**Business Segment:**

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the Chief Operating Decision Maker ("CODM"), in deciding how to allocate resources and assessing performance. The Company CODM is the Managing Director and the Company has only one reportable segment i.e. manufacturing of Formulation products.

The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by operating segments. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements.

Geographical segment:

The business is organised in two geographical segments i.e. within India and outside India.

Revenue from external customers	For the year ended March 31, 2024	For the year ended March 31, 2023
	Rs. in Million	Rs. in Million
India	0.41	0.32
Outside India	-	-
Total revenue per the statement of profit or loss	0.41	0.32

The revenue information above is based on the locations of the customers.

Non-current assets:

	As at March 31, 2024	As at March 31, 2023
	Rs. in Million	Rs. in Million
India	2,179.02	1,430.25
Outside India	382.17	356.91
Total	2,561.19	1,787.16



Note 31 : Financial risk management objectives and policies

The Company's principal financial liabilities comprise borrowings, trade other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

A. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risks – interest rate risk, currency risk and other price risk such as commodity risk. Financial instrument affected by market risks includes borrowings, deposits and other financial assets. The Company is not exposed to other price risk whereas the exposure to currency risk and interest risk is given below:

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

The Company manages interest rate risk by having a balanced portfolio of fixed and variable rate of interest on loans and borrowings. To manage this, Company has loans taken from banks that are linked to Repo rate, which are variable.

Interest rate sensitivity

The sensitivity analysis below is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Currency	Increase / decrease in basis points	Effect on profit / (Loss) before tax
			Rs. in Million
March 31, 2024	INR	+50	(5.10)
	INR	-50	5.10
March 31, 2023	INR	+50	(3.78)
	INR	-50	3.78

(ii) Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates and arises when transactions are done in foreign currencies. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's receivables and payables. The Company does not have any material foreign currency risk.

The Company's exposure to significant foreign currency risk is as follows:

Particulars	Currency	As at March 31, 2024		As at March 31, 2023	
		Indian rupees	Foreign currency	Indian rupees	Foreign currency
		Rs. in Million	in Million	Rs. in Million	in Million
Payable	USD	1.15	0.02	-	-
	EUR	1.26	0.02	12.52	0.14

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, EUR, exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives. The Company's exposure to foreign currency changes for all other currencies is not material.

In management's opinion, the sensitivity analysis is not a representative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.



B. Credit risk

Credit risk is the risk that counterparty 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, foreign exchange transactions and other financial instruments.

(i) Other financial assets

Credit risk from balances with banks is managed by Company's finance department in accordance with the Company's policy.

C. Liquidity risk

(i) Liquidity risk management

Liquidity risk is the risk that the Company will not be able to meet its financial obligation as they fall due. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or encounters difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The Company manages liquidity risk by maintaining sufficient cash and bank balance and availability of funding through adequate amount of committed credit facilities.

The table below summarise the maturity profile of the Company's financial liabilities based on contractually agreed undiscounted cash flows:

Particulars	Total	Less than 1 year	More than 1 year
	Rs. in Million	Rs. in Million	Rs. in Million
As at March 31, 2024			
Long term borrowings (Refer note 10)	1,980.20	-	1,980.20
Trade payables	28.76	28.76	-
Other financial liabilities	23.19	23.19	-
Total	2,032.15	51.95	1,980.20
As at March 31, 2023			
Long term borrowings	1,483.36	-	1,483.36
Short term borrowings	0.19	0.19	-
Trade payables	13.16	13.16	-
Other financial liabilities	48.99	48.99	-
Total	1,545.70	62.34	1,483.36

Note 32 : Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder's value. The Company's Capital Management objectives are to maintain equity including all reserves to protect economic viability and to finance any growth opportunities that may be available in future so as to maximize shareholders' value. The Company is monitoring capital using debt equity ratio as its base, which is debt to equity. The company is in the process of completing its manufacturing facilities and only one unit is operational. When the company commercialises all units, the policy is to keep Debt Equity ratio below one and infuse capital if and when required through issue of new shares and/or better operational results and efficient working capital management.

	As at March 31, 2024 Rs. in Million	As at March 31, 2023 Rs. in Million
Borrowings	1,980.20	1,483.55
Less: Cash and cash equivalents	(3.06)	(2.08)
Net Debt (A)	1,977.14	1,481.47
Total Equity (B)	214.65	324.94
Debt / Equity ratio (A/B)	9.21	4.56



Note 33: Fair Value Measurement

The carrying value and fair value of all financial assets / liabilities are at unamortised cost and classified as level 3

Calculation of Fair Values:

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The management assessed that cash and cash equivalents, other bank balances, receivables, short term borrowings, trade payables, other financial assets and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

There have been no transfers between Level 1 and Level 2 during the period.

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

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly unobservable.



Note 34 : Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively.

The key assumptions concerning the future and other key sources of estimating 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 has based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, 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.

a) Property, plant and equipment and intangible assets

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

b) Taxes

Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

c) Revenue from contracts with customers

In terms of collaboration agreement entered into by the company, refer Material accounting policies (note 1.3 d)



Note 35 : Other Statutory Information

No proceeding have been initiated or pending against the Company under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and the Rules made thereunder.

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

The Company has not traded or invested in crypto currency or virtual currency during the financial year.

The Company has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under the Companies Act, 2013), either severally or jointly with any other person.

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

The Company has not been sanctioned working capital limits in excess of Rs. five crore in aggregate from banks or financial institutions.

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

No funds have been advanced or loaned or invested either from borrowed funds or share premium or any other sources or kind of funds by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

No funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

The date of implementation of the Code on Wages 2019 and the Code on Social Security, 2020 is yet to be notified by the Government. The Company will assess the impact of these Codes and give effect in the financial statements when the Rules / Schemes thereunder are notified.

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

Note 36 : Ratios

Particulars	31-Mar-24	31-Mar-23	% change	Remarks
a) Current ratio = (Current assets) / (Current liabilities)	0.14	1.40	-90%	Change due to increase in Income accrued but not billed
b) Debt equity ratio = (Long-term borrowings + Short-term borrowings and lease liabilities) / (Total equity)	9.21	4.57	102%	Change due to term loan taken
c) Debt service coverage ratio = (Profit/ (loss) after tax but before finance costs, depreciation and amortisation and exceptional items) / (Finance costs + Short-term borrowings + Short term Lease liabilities)	(33.99)	(10.76)	216%	Change due to increase in Finance cost
d) Return on equity ratio (%) = (Net profit / (loss) after tax / Average shareholders equity)	-41%	-18%	128%	Change due to Loss in current year
e) Inventory turnover ratio = (Cost of materials consumed + Purchase of stock-in-trade + Changes in inventories of finished goods, stock-in-trade and work-in-progress) / (Average inventory)	-	NA	NA	
f) Trade receivables turnover ratio in no. of days = (Average trade receivables * no. of days) / (Revenue from contracts with customers)	2.24	NA	NA	
g) Trade payable turnover ratio in no. of days = (Average trade payable * no. of days) / (Purchases during the year)	1.87	NA	NA	
h) Net capital turnover ratio = (Revenue from contracts with customers) / (Current assets - Current liabilities)	(0.00)	NA	NA	
i) Net profit / (loss) ratio (%) = (Net profit/(loss) after tax) / (Total revenue from operations)	-26779%	NA	NA	
j) Return on capital employed (%) = (Net Profit / (loss) after tax) / (Total assets - Total liabilities - intangible assets - intangible assets under development + Long term borrowings + Short term borrowings + Lease liabilities)	-5%	-4%	25%	Change due to Loss in current year

Note 37 :

The Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that, audit trail feature is not enabled for certain changes made using privileged/ administrative access rights to accounting software. Further, no instance of audit trail feature being tampered with was noted in respect of other software.



Note 38: Previous year figures

Previous year figures have been regrouped/reclassified, where necessary, to conform to current year's classification.

For S R B C & CO LLP

ICAI firm registration number: 324982E/E300003


Chartered Accountants


per Anil Jobanputra
Partner
Membership no.: 110759
Place: Mumbai
Date : August 22, 2024





**For and on behalf of the Board of Directors of
Knovea Pharmaceutical Private Limited**


Anil Satwani
Director
DIN : 00041531
Place: Indore
Date : August 22, 2024


Sumit Gupta
Director
DIN : 06401402
Place: Mumbai
Date : August 22, 2024


Rohit Mantri
Director
DIN : 07435803
Place: Mumbai
Date : August 22, 2024




Raghavender Ramachandran
Chief Financial Officer
Place: Indore
Date : August 22, 2024

1 Corporate information

Knovea Pharmaceutical Private Limited ('the Company') is a private company domiciled in India and incorporated under the provisions of the Companies Act. The Company has been incorporated on Feb 17, 2020. The Company's registered office is in Indore, Madhya Pradesh. The Company is engaged in the business of manufacturing and selling of Formulations. The Company caters to both domestic and international markets.

1.1 Material accounting policies**1.2 Basis of preparation**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs pursuant to section 133 of Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act.

The financial statements have been prepared on accrual basis under historical cost convention, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Investments
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

The financial statements are presented in INR and all values are rounded to the nearest Million (INR 000,000), except when otherwise stated.

1.3 Summary of material accounting policies**a. Current versus non-current classification**

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

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

b. Foreign currencies

The financial statements are presented in India Rupees (INR), which is also its functional and presentation currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates at the date the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the statement of profit and loss of the year.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

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 initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of 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 Other Comprehensive Income ('OCI') or profit or loss are also recognised in OCI or profit or loss, respectively).

c. Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by the Company.

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 is 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, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of 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.

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value includes discounted cash flows analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result from general approximation of value and the same may differ from the actual value realised.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

d. 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 to which the Company expects to be entitled in exchange for those goods or services. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory risks.

However, Goods and services tax / Sales tax / Value Added Tax (VAT) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods

Revenue from sale of products (including sale under co-marketing agreement) is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the products. Invoices are payable within contractually agreed credit period.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of products, the Company considers the effects of variable consideration (if any). Revenues are net of sales returns, discounts, provision for anticipated returns on expiry, made on the basis of management expectations.

Rendering of services

Revenue from service rendered is recognized based on the terms of the agreements as and when services are rendered and are net of service tax / GST (wherever applicable).

Company has more than one performance obligation in case of long - term contracts satisfied over a period of time.

Collaboration arrangements are contractual agreements with third parties that involve a joint operating activity, typically a research and/or commercialization effort, where both we and our partner are active participants in the activity and are exposed to the significant risks and rewards of the activity. Our rights and obligations under our collaboration arrangements vary. These arrangements typically consist of an initial up-front payment on inception of the contract and subsequent payments dependent on achieving certain milestones in accordance with the terms prescribed in the agreement. Non-refundable up-front license fees received in connection with these agreements are deferred and recognised over the balance period in which the Company has pending performance obligations. The revenue is measured by input method i.e. the proportion that costs incurred to date bear to the estimated total costs of a contract. The input method is the most faithful depiction of the company's performance because it directly measures the value of the services transferred to the customer. Accordingly, milestone payments which are contingent on achieving certain milestones are recognised as revenues basis the input costs determined subject to achievement of such milestones.

Interest income

Interest income is recognized on a time proportion basis taking into account the amount outstanding using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. Interest income is included in 'Other Income' in the Statement of Profit and Loss.

Other Income

Other income is accounted for on accrual basis except where the receipt of income is uncertain



Contract balances :**Trade receivables**

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (n) Financial instruments – Initial recognition and subsequent measurement.

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer, if the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

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 or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

e. Income Taxes**Current income tax**

Income tax expense for the year comprises of current tax and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent it relates an item which is recognised directly in equity or in other comprehensive income. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss are recognised as a part of these items (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. The management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- When the deferred Tax Asset relating to the deductible temporary difference arises from the initial recognition of an Asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period. MAT is considered as a deferred tax item.



f. Property, plant and equipment

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows

Assets	Useful life
Buildings	
- Factory buildings	30 years
- Other buildings	60 years
Plant and machinery	3 years to 20 years
Electrical installations	10 years
Furniture, fittings and equipments	10 years
Office equipments	5 years
Vehicles	8 years
Computers	3 years

The Company, based on technical assessment made by technical expert and management estimate, depreciates certain items of plant and machinery over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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

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

Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment properties are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

The Company depreciates investment property over the remaining useful life/lease period.

g. Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

h. Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.



I. Provisions and Contingencies**Provisions**

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. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingencies

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed 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 is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

A contingent asset is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of benefits is probable, contingent asset are disclosed in the financial statements.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

J. Financial Instruments

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.

Financial assets**Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- Financial assets at amortised cost
- Financial assets including derivatives at fair value through profit or loss (FVTPL)
- Financial assets at fair value through other comprehensive income (FVTOCI)

Financial asset at amortised cost

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables, loans and other financial assets.

Financial Assets at FVTOCI

A 'financial asset' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

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



Financial asset at FVTPL

FVTPL is a residual category for financial asset. Any financial asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Financial asset included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's Balance Sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

On derecognition of a financial asset in its entirety, the differences between the carrying amounts measured at the date of derecognition and the consideration received is recognised in the statement of profit and loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings.



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 or loss.

Offsetting of financial instruments

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

k. Segment Reporting

Based on "Management Approach" as defined in Ind AS 108 - Operating Segments, the Chief Operating Decision Makers evaluate the Company's performance and allocate the resources based on an analysis of various performance indicators by business segments.

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

l. Cash and cash equivalents

Cash and cash equivalent in the Balance Sheet comprise cash at banks and 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.

m. Cash dividend to equity share holders

The Company recognises a liability to make cash or non-cash distributions to its equity share holders when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Dividends paid/payable are recognised in the year in which the related dividends are approved by the Shareholders or Board of Directors as appropriate.

n. Earnings per share

The Company's Earnings per Share ('EPS') is determined based on the net profit attributable to the shareholders of the Company.

Basic earnings per share is calculated by dividing the profit from continuing operations and total profit, both attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per share is computed using the weighted average number of common and dilutive shares outstanding during the year including share based payments, except where the result would be anti-dilutive.

o. Government grants and subsidies

Grants and subsidies from the government are recognized when there is reasonable assurance that (i) the company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. When the grant relates to an expense item, it is recognised in the statement of profit and loss on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

p. RECENT ACCOUNTING PRONOUNCEMENTS :

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. During the year ended March 31, 2024, Ministry of Corporate Affairs (MCA) has not notified any new standards or amendments to the existing standards applicable to the Company.

