



INDEPENDENT AUDITORS' REPORT

To
The Members of **Ratnatris Pharmaceuticals Private Limited**
(Formerly known as "**Ratnamani Healthcare Private Limited**")

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of **Ratnatris Pharmaceuticals Private Limited** (formerly known as Ratnamani Healthcare Pvt Ltd.) ("the Company"), which comprise the Balance Sheet as at **March 31, 2024**, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and notes to the financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at **March 31, 2024**, its loss, changes in equity and its cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the standards on auditing ("SA"s) 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 financial statements section of our report. We are independent of the Company in accordance with the code of ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's code of ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Other matter

The Comparative financial information of the company for the year ended March 31, 2023 and the transition date opening date opening balance sheet as at April 1, 2022 included in these financial statements, are based on the previously issued financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by us and our reports for the years ended March 31, 2023 and March 31, 2022 dated August 31, 2023 and September 23, 2022 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of these matter.



Independent Auditor's Report (Continued)
Ratnatris Pharmaceuticals Private Limited

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the financial statements and our auditor's report thereon.

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

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

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

Responsibilities of management and those charged with governance for the financial statements

The Company's board of directors is responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The board of directors is also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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



Independent Auditor's Report (Continued)
Ratnatris Pharmaceuticals Private Limited

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

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

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

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

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



Independent Auditor's Report (Continued)
Ratnatris Pharmaceuticals Private Limited

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 Companies Act, 2013, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The balance sheet, the statement of profit and loss including Other Comprehensive Income, Statement of Cash Flows dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act;
 - (e) On the basis of the written representations received from the directors as on **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) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B." Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting;
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 39 to the financial statements;
 - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - (iii) There 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, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources of kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the

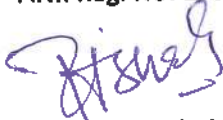


Independent Auditor's Report (Continued)
Ratnatris Pharmaceuticals Private Limited

- understanding, whether recorded in writing or otherwise, that the intermediary shall, 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, other than as disclosed in the notes to the accounts, 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, 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 that the auditor has considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause(i) and (ii) contain any material misstatement.
- (v) During the year no dividend was declared or paid. Hence, compliance under Section 123 of the companies Act, 2013 is not applicable; and
- (vi) Based on our examination, which included test checks, the Company has used an accounting software for maintaining its books of account for the financial year ended March 31, 2024 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. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1st April 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For Rajesh J. Shah & Associates
Chartered Accountants
Firm Reg. No. 108407W



CA Rajesh J. Shah
Partner

Membership No.: 040268
UDIN: 24040268BKHJRH8386



Place: Ahmedabad
Date: May 27, 2024

ANNEXURE "A" to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In terms of the information and explanations sought by us and given by the company and the books 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, capital work-in-progress and relevant details of right-of-use assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) Some of the Property, Plant and Equipment, capital work-in-progress and right-of-use assets were physically verified during the year by the management in accordance with a program of verification, which in our opinion provides for physical verification of all the Property, Plant and Equipment, capital work-in-progress and right-of-use assets at reasonable intervals having regard to the size of the Company and the nature of its activities. According to the information and explanations given to us no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, plant and equipment (including right-of-use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventories were physically verified by the management during the year at reasonable intervals. In our opinion and according to the information and explanation given to us, the frequency of such verification is reasonable and procedures and coverage as followed by management is appropriate having regard to size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of accounts.



Independent Auditor's Report (Continued)
Ratnatris Pharmaceuticals Private Limited

- (b) According to the information and explanations given to us, at any point of time of the year, the Company has been sanctioned working capital facility excess of five crores rupee in aggregate, from banks on the basis of security current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks are in agreement with the unaudited books of account of the Company.

The Company is yet to submit the quarterly returns or statements comprising stock statements, book debt statements and statements on ageing analysis of the debtors/other receivables for the quarter ended 31st March 2024 with banks.

- (iii) (a) The Company has given guarantees during the year and the outstanding balance of loans and guarantees as at March 31, 2024 are given below:

		Loans (₹ in Millions)	Guarantees (₹ in Millions)
A.	Aggregate amount granted / provided during the year:		
	- Holding Company	-	-
	- Subsidiaries	-	-
	- Joint Ventures	-	-
	- Others	-	772.50
B.	Balance outstanding as at balance sheet date in respect of above cases*		
	- Holding Company#	-	400.00
	- Subsidiaries	-	-
	- Joint Ventures	-	-
	- Others	3.00	372.50

* The amounts reported are gross amounts including accrued interest (wherever applicable), without considering provision made.

The Company has provided the corporate guarantee to the Senores Pharmaceuticals Limited before it become the holding company of the Company w.e.f. 13th December 2023.

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of the loans given are, prima facie, prejudicial to the interest of the Company in case of loan given to M/s. Renosen Pharmaceuticals Private Limited.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, Loan is repayable on demand and payment of interest on periodic basis, which is regular.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the repayment of principal and payment of interest has been stipulated as in mentioned in (c) above, hence the question of overdue amounts does not arise.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan given falling due during the year,



Independent Auditor's Report (Continued)
Ratnatris Pharmaceuticals Private Limited

which has been renewed or extended or fresh loans given to settle the overdues of existing loans given to the same party.

- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans either repayable on demand or without specifying any terms or period of repayment, except as mentioned in (c) above.
- (iv) The company has given loans and guarantees, provisions of section 185 and 186 of the Companies Act, 2013 have been complied with to the extent applicable.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) The Company does not have any liability in respect of Sales tax, Service tax, Duty of excise and Value added tax during the year since effective 1 July 2017, these statutory dues have been subsumed into Goods and Services Tax ('GST').

According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including GST, Provident fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues have generally been regularly deposited with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, Income-tax, Duty of Customs, Cess and other material statutory dues were in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.



Independent Auditor's Report (Continued)
Ratnatris Pharmaceuticals Private Limited

- (b) According to the information and explanations given to us, there are no dues of GST, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Value added tax, Cess or other statutory dues which have not been deposited by the Company on account of disputes, except for the following:

Name of Statute	Nature of Dues	Amount (₹ in Millions)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	46.29	2018-19	Gujarat High Court
Income Tax Act, 1961	Income Tax	158.83	2021-22	CIT-A-11, Ahmedabad

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has taken a term loan during the year and it is unutilized for the purpose for which term loan has taken.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds have been raised on short-term basis and utilized for long term basis by the Company. Accordingly, clause 3(ix)(d) of the Order is not applicable.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(e) of the Order is not applicable.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.



Independent Auditor's Report (Continued)
Ratnatris Pharmaceuticals Private Limited

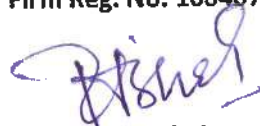
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, during the year, the Company has allotted 18,68,090 equity shares against conversion of Compulsory Convertible Debentures ('CCD') (Series I & II).
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and up to the date of this report.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) Based upon the audit procedures performed and according to the information and explanations given to us, all the transactions with related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial statements etc. as required by the applicable accounting standards.
- (xiv) Based on examination of the books and records of the Company and according to the information and explanations given to us, Internal audit under sec 138 of Companies Act, 2013 is not applicable to the Company. Accordingly, clause 3(xiv) of the Order is not applicable, However, The Company has in-house internal audit system.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.



Independent Auditor's Report (Continued)
Ratnatris Pharmaceuticals Private Limited

- (d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, 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 the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For Rajesh J. Shah & Associates
Chartered Accountants
Firm Reg. No. 108407W



CA Rajesh J. Shah
Partner
Membership No.: 040268
UDIN: 24040268BKHJRH8386



Place: Ahmedabad
Date: May 27, 2024



Annexure "B" to the Independent Auditor's Report

(Referred to in paragraph 2 (f) under 'Report on other legal and regulatory requirements' section of our report to the Members of **Ratnatris Pharmaceuticals Private Limited** of even date)

Report on the internal financial controls over financial reporting under clause (i) of sub – section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Ratnatris Pharmaceuticals Private Limited** ("the Company") as at **March 31, 2024**, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

The board of directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, 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.

Auditors' responsibility

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

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

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



Independent Auditor's Report (Continued)
Ratnatris Pharmaceuticals Private Limited

Meaning of internal financial controls over financial reporting

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

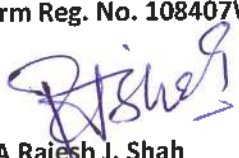
Limitations of internal financial controls over financial reporting

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

Opinion

In our opinion and according to the information and explanations given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Rajesh J. Shah & Associates
Chartered Accountants
Firm Reg. No. 108407W


CA Rajesh J. Shah
Partner
Membership No.: 040268
UDIN: 24040268BKHJRH8386



Place: Ahmedabad
Date: May 27, 2024

Ratnatris Pharmaceuticals Private Limited
(Formerly known as Ratnamani Healthcare Private Limited)
Balance Sheet as at 31 March 2024

(₹ in Millions)

Particulars	Notes	As at 31 March 2024	As at 31 March 2023	As at 1 April 2022
Assets				
Non-current assets				
Property, Plant and Equipment	6	569.36	587.50	571.79
Capital Work-In-Progress	7	28.87	26.50	-
Right-Of-Use Assets	8	12.05	13.85	15.65
Intangible Assets	9	18.78	12.68	0.15
Intangible Assets Under Development	10	-	1.27	-
Financial Assets				
Investments	11	0.07	0.07	0.06
Other Financial Assets	13	3.77	2.59	1.40
Deferred Tax Assets (net)	14	36.63	-	-
Income Tax Assets (net)	14	5.35	7.60	9.17
Other Non-Current Assets	15	10.21	6.45	6.48
Total Non-Current Assets		685.09	658.51	604.70
Current Assets				
Inventories	16	153.81	125.31	171.05
Financial Assets				
Trade Receivables	17	362.65	234.23	249.16
Cash and Cash Equivalents	15	0.34	0.34	11.96
Bank Balances Other Than Cash and Cash Equivalents	16	1.58	1.58	5.02
Loans	12	3.00	16.62	-
Other Financial Assets	13	5.17	22.19	7.20
Other Current Assets	15	114.59	84.47	86.41
Total Current Assets		641.14	484.74	530.80
Total Assets		1,326.23	1,143.25	1,135.50
Equity and Liabilities				
Equity				
Equity Share Capital	20	37.45	18.77	18.77
Other Equity	21	55.32	(12.57)	14.98
Total Equity		92.77	6.20	33.75
Non-Current Liabilities				
Financial Liabilities				
Borrowings	22	631.07	522.27	546.40
Lease Liabilities	8	12.06	13.24	14.28
Provisions	23	5.90	6.06	7.92
Deferred Tax Liabilities (net)	14	-	3.71	11.38
Total Non-Current Liabilities		649.03	545.28	579.98
Current Liabilities				
Financial Liabilities				
Borrowings	22	175.16	363.97	159.29
Lease Liabilities	8	1.18	0.96	0.77
Trade Payables	24			
Dues of Micro Enterprises and Small Enterprises		155.45	91.78	195.97
Dues of creditors other than micro enterprises and small enterprises		214.75	89.70	118.63
Other Financial Liabilities	25	24.29	22.04	12.79
Provisions	23	2.20	1.21	1.14
Other Current Liabilities	26	11.40	22.11	33.18
Total Current Liabilities		584.43	591.77	521.77
Total Liabilities		1,233.46	1,137.05	1,101.75
Total Equity and Liabilities		1,326.23	1,143.25	1,135.50

See Accompanying Notes To The Financial Statements

1 - 51

In Terms Of Our Report Attached

For Rajesh J. Shah & Associates

Chartered Accountants

Firm's Registration No: 408407W

Rajesh J. Shah

Partner

Membership No. 40268

UDIN : 24040268BKHJRH8386

Place: Ahmedabad

Date: 27 May 2024



For and Behalf of Board of Directors of

Ratnatris Pharmaceuticals Private Limited

(Formerly known as Ratnamani Healthcare Private Limited)

CIN : U24230GJ2005PTC047394

Jitendra B. Sanghvi

Director

DIN 00271995

Place: Ahmedabad

Date: 27 May 2024

Swapnil J. Shah

Director

DIN 05259821

Ratnatris Pharmaceuticals Private Limited
(Formerly known as Ratnamani Healthcare Private Limited)
Statement of Profit and Loss for the year ended on 31 March 2024

(₹ in Millions)

Particulars	Notes	Year ended 31 March 2024	Year ended 31 March 2023
Revenue From Operations	27	1,042.57	1,164.33
Other Income	28	8.54	28.46
Total Income		1,051.11	1,192.79
Expenses			
Cost of Materials Consumed	29	676.57	704.01
Purchases of Stock-In-Trade		29.08	80.64
Changes in Inventories of Finished Goods, Work-In-Progress and Stock-In-Trade	30	(28.36)	(21.45)
Employee Benefits Expense	31	173.29	135.82
Finance Costs	32	55.03	48.39
Depreciation and Amortisation Expense	33	58.82	53.60
Other Expenses	34	246.87	237.30
Total Expenses		1,211.30	1,238.31
Profit / (Loss) Before Exceptional Items and Tax		(160.19)	(45.52)
Exceptional Items	38	-	10.00
Profit / (Loss) Before Tax		(160.19)	(35.52)
Tax Expenses	14		
Current Tax		-	-
Deferred Tax Charge/ (Credit)		(40.60)	(7.75)
Total Tax Expenses		(40.60)	(7.75)
Profit / (Loss) for the year		(119.59)	(27.77)
Other Comprehensive Income			
Items That Will Not Be Reclassified Subsequently to Profit or Loss			
Re-measurement (Losses)/Gains on Defined Benefit Plans		0.93	0.30
Income Tax Relating to Above		(0.26)	(0.08)
		0.67	0.22
Total Comprehensive Income		(118.92)	(27.55)
Earnings Per Share [Nominal Value Per Equity Share of ₹ 10]			
Basic (In ₹)	36	(48.24)	(14.80)
Diluted (in ₹)		(48.24)	(14.80)

See Accompanying Notes To The Financial Statements

1 - 51

In Terms Of Our Report Attached
For Rajesh J. Shah & Associates
Chartered Accountants
 Firm's Registration No: 108407W

For and Behalf of Board of Directors of
Ratnatris Pharmaceuticals Private Limited
(Formerly known as Ratnamani Healthcare Private Limited)
 CIN : U24230GJ2005 TC047394

Rajesh J. Shah
 Partner
 Membership No. 40268
 UDIN : 240402688KHJRH8386
 Place: Ahmedabad
 Date: 27 May 2024



Jitendra B. Sanghvi
 Director
 DIN 00271995

Swapnil J. Shah
 Director
 DIN 05259821

Place: Ahmedabad
 Date: 27 May 2024

Ratnatris Pharmaceuticals Private Limited
(Formerly known as Ratnamani Healthcare Private Limited)
Statement of Changes in Equity for the year ended 31 March 2024

(A) Equity Share Capital

Particulars	(₹ in Millions)	
	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	18.77	18.77
Changes during the year	18.68	-
Balance at the end of the year	37.45	18.77

(B) Other Equity

Particulars	Reserves and surplus			Total
	Retained earnings	Securities premium	Capital Reserve Fund	
Balance as at 1 April 2023	(206.94)	187.57	6.80	(12.57)
Profit / (Loss) for the year	(119.59)	-	-	(119.59)
Other Comprehensive Income (net of tax)	0.67	-	-	0.67
Equity Shares issued during the year	-	186.81	-	186.81
Balance as at 31 March 2024	(325.86)	374.38	6.80	55.32
Balance as at 1 April 2022	(179.39)	187.57	6.80	14.98
Profit / (Loss) for the year	(27.77)	-	-	(27.77)
Other Comprehensive Income (net of tax)	0.22	-	-	0.22
Balance as at 31 March 2023	(206.94)	187.57	6.80	(12.57)

Nature and purpose of reserves :

- (a) **Retained earnings** : Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends, or other distributions paid to shareholders.
- (b) **Capital reserve** : Capital reserve represents effects of Compromise and Arrangement scheme approved by National Company Law Tribunal ("NCLT").
- (c) **Securities premium** : Securities premium reserve is used to record the premium on issue of shares. In case of equity settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium. This reserve is utilised in accordance with the provisions of the Act.

In Terms Of Our Report Attached
For Rajesh J. Shah & Associates
Chartered Accountants
Firm's Registration No: 208407W

Rajesh J. Shah
Partner
Membership No. 40268
UDIN : 24040268BKHJRH8386
Place: Ahmedabad
Date: 27 May 2024



For and Behalf of Board of Directors of
Ratnatris Pharmaceuticals Private Limited
(Formerly known as Ratnamani Healthcare Private Limited)
CIN : U24230GJ2005PTC047394

Jitendra B. Sanghvi
Director
DIN 00271995

Place: Ahmedabad
Date: 27 May 2024

Swapnil J. Shah
Director
DIN 05259821

Ratnatris Pharmaceuticals Private Limited
(Formerly known as Ratnamani Healthcare Private Limited)
Statement of Cash Flows for the year ended on 31 March 2024

Particulars	(₹ in Millions)	
	Year ended 31 March 2024	Year ended 31 March 2023
A CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) Before Tax	(160.19)	(35.52)
Adjustments for :		
Depreciation and Amortisation Expense	58.82	53.60
Provision no Longer Required Written Back	(0.01)	(0.01)
Bad Debts / Advances / Sundry Balance Write off	0.55	-
Unrealised Foreign Exchange (Gain) (net)	(2.85)	(2.27)
(Gain) / Loss on sale / Discard / Write-off of Property, Plant & Equipment	0.40	(0.18)
Finance Costs	55.03	48.39
Interest Income	(0.83)	(0.87)
	<u>(49.08)</u>	<u>63.14</u>
Adjustments for Changes In Working Capital :		
Trade Receivables and Other Assets	(119.65)	4.28
Inventories	(28.50)	45.74
Trade Payables, Liabilities and Provisions	154.29	(143.23)
CASH GENERATED FROM OPERATIONS	<u>(42.94)</u>	<u>(30.07)</u>
Direct Taxes Paid (net of refunds)	2.25	1.57
NET CASH FROM OPERATING ACTIVITIES	<u>(40.69)</u>	<u>(28.50)</u>
B CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipments and Intangible Assets [Refer note (b)]	(44.20)	(102.72)
Proceeds from Sale of Property, Plant and Equipments	0.49	0.33
Investment in / Proceeds from Fixed Deposits	-	3.44
Change in Loans (net)	13.62	(16.62)
Acquisition of Investments	-	(0.01)
Interest Received	0.83	0.87
NET CASH USED IN INVESTING ACTIVITIES	<u>(29.26)</u>	<u>(114.71)</u>
C CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Issue of Equity Shares [Refer note (c)]	-	-
Proceeds from Non-Current Borrowings	183.63	119.96
Repayment of Non-Current Borrowings	(74.23)	(137.41)
Proceeds from Short-Term Borrowings, (net)	15.91	197.93
Repayment of Lease Obligations	(2.28)	(2.17)
Finance Costs Paid	(53.08)	(46.72)
NET CASH USED IN FINANCING ACTIVITIES	<u>69.95</u>	<u>131.59</u>
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	-	(11.62)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR	<u>0.34</u>	<u>11.96</u>
CASH AND CASH EQUIVALENTS AT THE END OF YEAR (Refer note 15)	<u>0.34</u>	<u>0.34</u>

Notes:

- (a) The above statement of cash flow has been prepared under the 'Indirect method' as set out in Indian Accounting Standard (Ind AS) 7- Statement of Cash Flows.
- (b) Purchase and sale of property, plant and equipment represents additions and deletions to property, plant and equipment and investment properties adjusted for movement of capital work in progress, capital advances, capital creditors during the year.
- (c) During the year ended 31 March 2024, Company has issued equity shares (Incl. securities premium) amounting to ₹ 205.49 Millions on conversion of Compulsory convertible debentures with no effect on cash flow of the Company.
- (d) **Changes in Liabilities arising from Financing Activities :**

Non-Current Borrowings (Refere note 22):

Opening Balance	537.22	554.60
Amount Borrowed during the year	183.63	119.96
Amount Repaid during the year	(74.23)	(137.41)
Non-Cash Cash Flows	0.17	0.07
Closing Balance	<u>646.79</u>	<u>537.22</u>



Ratnatris Pharmaceuticals Private Limited
(Formerly known as Ratnamani Healthcare Private Limited)
Statement of Cash Flows for the year ended on 31 March 2024 (Cont..)

Particulars	(₹ in Millions)	
	Year ended 31 March 2024	Year ended 31 March 2023
Current borrowings (Refer note 22):		
Opening Balance	349.02	151.09
Compulsory Convertible Debentures Converted to Equity Shares [Refer note (c) above]	(205.49)	-
Amount (Repaid) / Borrowed during the year (net)	15.91	197.93
Closing Balance	<u>159.44</u>	<u>349.02</u>
Lease liabilities (Refer note 8):		
Opening Balance	14.20	15.05
Interest Accrued during the year	1.32	1.32
Amount Paid during the year	(2.28)	(2.17)
Closing Balance	<u>13.24</u>	<u>14.20</u>
Finance Cost :		
Opening Balance	0.46	0.18
Finance Cost during the year	55.03	48.39
Amount Reclassified to lease liability	(1.32)	(1.32)
Unwinding of Transaction Costs incurred on Borrowings (Non-cash)	(0.17)	(0.07)
Amount Paid during the year	(53.08)	(46.72)
Closing Balance	<u>0.92</u>	<u>0.46</u>

In Terms Of Our Report Attached
For Rajesh J. Shah & Associates
Chartered Accountants
 Firm's Registration No: 128407W

Rajesh J. Shah
 Partner

Membership No. 40268
 UDIN : 24040268BKHJR18886
 Place: Ahmedabad
 Date: 27 May 2024



For and Behalf of Board of Directors of
Ratnatris Pharmaceuticals Private Limited
(Formerly known as Ratnamani Healthcare Private Limited)
 CIN : U24230GJ2005PTC047394

Jitendra B. Sanghvi
 Director
 DIN 00271995

Swapnil J. Shah
 Director
 DIN 05259821

Place: Ahmedabad
 Date: 27 May 2024

1 Corporate Information

Ratnatris Pharmaceuticals Private Limited ("the Company") (Corporate Identity Number ('CIN'): U24230GJ2005PTC047394) having registered office at 1004-1006, 10th Floor, North Tower, ONE42, Off. Bopal Ambli Road, Opp. Ashok Vatika, Bodakdev, Ahmedabad, Ahmedabad, Gujarat, India, 380054, is private limited company incorporated and domiciled in India.

The Company is in the business of manufacturing of tablets, oral-liquid, capsules, powders, Injections and supplies mainly to domestic and export markets.

2 Statement of Compliance

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements up to year ended 31 March 2023 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first financial statements of the Company under Ind AS. The date of transition to Ind AS is 1 April 2022. Refer Note 5 for the details of significant exemptions availed by the Company on first-time adoption of Ind AS and for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

3 Basis of Preparation of Financial Statements

3.1 Basis of preparation and presentation

The financial statements have been prepared and presented under the historical cost convention on an accrual basis of accounting except for the following material items which have been measured at fair value.

- Financial assets and liabilities are measured at fair value or at amortised cost depending on classification;
- Lease liability and Right-of-use assets– measured at fair value

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if the market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value measurement and/or disclosure purposes in the financial statements is determined on such a basis except for leasing transactions that are within the scope of Ind AS 116 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 Inventories or value in use in Ind AS 36 Impairment of asset.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

All assets and liabilities have been classified as current or non-current as set out in the Schedule III (Division II) to the Companies Act, 2013.

3.2 Functional and presentation currency

The financial statements are presented in Indian Rupee (₹) which is also the functional currency of the Company. All amounts disclosed in the financial statements and notes have been rounded-off to the nearest Million or decimal thereof as per the requirement of Schedule III, unless otherwise stated. Amount less than ₹ 5,000/- is presented as ₹ 0.00 Millions.



3 Basis of Preparation of Financial Statements (Continued..)

3.3 Use of estimates

The preparation of financial statements are in conformity with the recognition and measurement principles of Ind AS which requires management to make critical judgements, estimates and assumptions that affect the reporting of assets, liabilities, income and expenditure. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and any revisions to the estimates are recognised in the period in which the estimates are revised and future periods are affected.

Estimates and underlying assumptions are reviewed on an ongoing basis and any revisions to the estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key source of estimation of uncertainty at the date of financial statements, which may cause material adjustment to the carrying amount of assets and liabilities within the next financial year, is in respect of:

- Useful lives of property, plant and equipment
- Useful lives of intangible assets
- Valuation of inventories
- Employee benefits
- Provisions & contingent liabilities
- Valuation of deferred tax assets

4 Material Accounting Policies:

a. Financial instruments

Initial recognition and measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

Classification and subsequent measurement

For purposes of subsequent measurement, financial assets are classified based on assessment of business model and contractual cash flows in which they are held.

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVOCI – debt and equity investment; -
- FVTPL

At amortized cost

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

At fair value through Other comprehensive income (FVOCI)

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.



4 Material accounting policies (Continued..)

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment by investment basis.

At fair Value through Profit and Loss (FVTPL)

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may Irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset.

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL -

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the Statement of Profit and Loss.

Financial assets at amortised cost -

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is recognised in the Statement of Profit and Loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

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

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Cash and cash equivalent

Cash and cash equivalents 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. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.



4 Material accounting policies (Continued..)

b. Property, plant & equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property, plant and equipment comprises its purchase price including import duty and non refundable taxes or levies, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in statement of profit and loss.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Advances paid towards acquisition of property, plant and equipment outstanding at each Balance Sheet date, are shown under other non-current assets and cost of assets not ready for intended use before the year end, are shown as capital work-in-progress.

Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight line method. Freehold land is not depreciated.

The estimated useful lives are as follows:

Class of asset	Useful life
Buildings	30 Years
Plant & Equipments	3 to 20 Years
Furniture & fixtures	10 Years
Vehicles	8 Years
Office Equipments	5 Years
Electrical Installations	10 Years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed of).

c. Leases

(i) The Company as lessee:

The Company assesses whether a contract contains a lease, at the inception of contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control use of an identified asset, the Company assesses whether:

- The contract involves use of an identified asset;
- The Company has substantially all the economic benefits from the use of the asset through the period of lease; and
- The Company has the right to direct the use of an asset.

At the date of commencement of lease, the Company recognises a Right-of-use asset ("ROU") and a corresponding liability for all lease arrangements in which it is a lessee, except for leases with the term of twelve months or less (short term leases) and low value leases. For short term and low value leases, the Company recognises the lease payment as an operating expense on straight line basis over the term of lease. Certain lease agreements include an option to extend or terminate the lease before the end of lease term. ROU assets and the lease liabilities includes these options when it is reasonably certain that they will be exercised.



4 Material accounting policies (Continued..)

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

The lease liability is initially measured at amortised cost at the present value of the future lease payments. The lease payments are discounted using the interest rate explicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right-of-use assets if the Company changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and the lease payments have been classified as financing cash flows.

(ii) The Company as a Lessor:

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

d. Intangible assets

Other intangible assets

Other intangible assets are initially measured at cost. Subsequently, such intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on brands, is recognised in statement of profit and loss as incurred.

Amortisation

Amortisation is recognised in the statement of profit and loss on a straight-line basis over the estimated useful lives of intangible assets. The amortisation expense is recognised in the statement of profit and loss account in the expense category that is consistent with the function of the intangible asset. Intangible assets that are not available for use are amortised from the date they are available for use.

The estimated useful lives are as follows:

Class of asset	Useful life
Product related Intangibles	2 to 3 Years
Computer Softwares	6 Years

e. Business Combination

In accordance with Ind AS 103, Business combinations, the Company accounts for business combinations after acquisition date using the acquisition method when control is transferred to the Company. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. The cost of acquisition also includes the fair value of any contingent consideration and deferred consideration, if any. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exists clear evidence of the underlying reasons for classifying the business combination as resulting in a bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction costs are expensed as incurred. Business combinations between entities under common control is accounted for at carrying value.



4 Material accounting policies (Continued..)

f. Impairment

(i) Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss ("ECL") model for measurement and recognition of impairment loss on following:

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance.

Loss allowance for financial assets measured at amortised cost are deducted from gross carrying amount of the assets. The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in the Statement of Profit and Loss.

(ii) Impairment of non-financial assets

The Company assess at each reporting date whether there is any indication that the carrying amount may not be recoverable. If any such indication exists, then the asset's recoverable amount is estimated and an impairment loss is recognised if the carrying amount of an asset or Cash Generating Unit (CGU) exceeds its estimated recoverable amount in the statement of profit and loss.

The recoverable amount of a CGU (or an individual asset) is higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flow, discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to CGU (or the asset).

The Company's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets that do not generate independent cash inflows are Combined together into cash-generating units (CGUs). Each CGU represents the smallest Company of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or Company of CGUs) on a pro rata basis.

An impairment loss in respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

g. inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out formula, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.



4 Material accounting policies (Continued..)

h. Foreign currency:

Foreign currency transactions:

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at balance sheet date exchange rates are generally recognised in Statement of Profit and Loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example translation differences on non-monetary assets such as equity investments classified as FVOCI are recognised in other comprehensive income (OCI).

i. Revenue from contracts with customer

Sale of goods

Revenue is recognised when a promise in a customer contract (performance obligation) has been satisfied by transferring control over the promised goods to the customer. Control over a promised goods refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, those goods. Control is usually transferred upon shipment, delivery to, upon receipt of goods by the customer, in accordance with the delivery and acceptance terms agreed with the customers. However, in certain cases, revenue is recognized on sale of products where shipment is on hold at specific request of the customer provided performance obligation conditions has been satisfied and control is transferred, with customer taking title of the goods. The amount of revenue to be recognised (transaction price) is based on the consideration expected to be received in exchange for goods, excluding amounts collected on behalf of third parties such as goods and services tax or other taxes directly linked to sales. If a contract contains more than one performance obligation, the transaction price is allocated to each performance obligation based on their relative stand-alone selling prices. Revenue from product sales are recorded net of allowances for estimated rebates, cash discounts and estimates of product returns, all of which are established at the time of sale.

For contracts with distributors, no sales are recognised when goods are physically transferred to the distributor under a consignment arrangement, or if the distributor acts as an agent. In such cases, sales are recognised when control over the goods transfers to the end-customer, and distributor's commissions are presented within marketing and distribution.

The consideration received by the Company in exchange for its goods may be fixed or variable. Variable consideration is only recognised when it is considered highly probable that a significant revenue reversal will not occur once the underlying uncertainty related to variable consideration is subsequently resolved.

Milestone payments and out licensing arrangements

The Company enters into certain dossier sales, licensing and supply arrangements that, in certain instances, include certain performance obligations. Based on an evaluation of whether or not these obligations are inconsequential or perfunctory, the Company recognise or defer the upfront payments received under these arrangements.

Income from out-licensing agreements typically arises from the receipt of upfront, milestone and other similar payments from third parties for granting a license to product- or technology- related intellectual property (IP). These agreements may be entered into with no further obligation or may include commitments to regulatory approval, co-marketing or manufacturing. These may be settled by a combination of upfront payments, milestone payments and other fees. These arrangements typically also consist of subsequent payments dependent on achieving certain milestones in accordance with the terms prescribed in the agreement. Milestone payments which are contingent on achieving certain clinical milestones are recognised as revenues either on achievement of such milestones, if the Milestones are considered substantive, or over the period we have continuing performance obligations, if the milestones are not considered substantive. Whether to consider these commitments as a single performance obligation or separate ones, or even being in scope of IndAS 115 'Revenues from Contracts with Customers, is not straightforward and requires some judgement. Depending on the conclusion, this may result in all revenue being calculated at inception and either being recognised at point in time or spread over the term of a longer performance obligation. Where performance obligations may not be distinct, this will be bundled with the subsequent product supply obligations. The new standard provides an exemption for sales-based royalties for licenses of intellectual property which will continue to be recognised as revenue as underlying sales are incurred.



4 Material accounting policies (Continued..)

The Company recognises a deferred income (contract liability) if consideration has been received (or has become receivable) before the company transfers the promised goods or services to the customer. Deferred income mainly relates to remaining performance obligations in (partially) unsatisfied long-term contracts or are related to amounts the Company expects to receive for goods and services that have not yet been transferred to customers under existing, non-cancellable or otherwise enforceable contracts.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Sales Return Allowances

The Company accounts for sales return by recording an allowance for sales return concurrent with the recognition of revenue at the time of a product sale. The allowance is based on Company's estimate of expected sales returns. The estimate of sales return is determined primarily by the Company's historical experience in the markets in which the Company operates.

j. Recognition of dividend income, interest income or expense & rental income

Dividend income is recognised in Statement of Profit and Loss on the date on which the Company's right to receive payment is established.

Interest income or expense is recognised using the effective interest method.

Rental income is recognised in statement of profit and loss on a straight-line basis over the term of the lease except where the rentals are structured to increase in line with expected general inflation. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

k. Government grant

The Company recognises government grants at their fair value only when there is reasonable assurance that the conditions attached to them will be complied with, and the grants will be received. Government grants received in relation to assets are recognised as deferred income and amortised over the useful life of such asset. Government grants, which are revenue in nature are either recognised as income or deducted in reporting the related expense based on the terms of the grant, as applicable.

l. Employee benefits

Short-term employee benefits:

All employee benefits falling due within twelve months from the end of the period in which the employees render the related services are classified as short-term employee benefits, which include benefits like salaries, wages, short term compensated absences, performance incentives, etc. and are recognised as expenses in the period in which the employee renders the related service and measured accordingly.

Post-employment benefit:

Post-employment benefit plans are classified into defined benefits plans and defined contribution plans as under:

Gratuity

The Company provides for gratuity, a defined benefit plan ("the Gratuity Plan") covering the eligible employees of the Company. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of the employment with the Company.

Liability with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method.

The Company recognises the net obligation of a defined benefit plan as a liability in its balance sheet. Gains or losses through remeasurement of the net defined benefit liability are recognised in other comprehensive income and are not reclassified to profit and loss in the subsequent periods. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognised in other comprehensive income. The effect of any plan amendments are recognised in the statement of profit and loss.



4 Material accounting policies (Continued..)

Provident fund

Eligible employees of the Company receive benefits from provident fund, which is a defined contribution plan. Both the eligible employees and the Company make monthly contributions to the Government administered provident fund scheme equal to a specified percentage of the eligible employee's salary. Amounts collected under the provident fund plan are deposited with in a government administered provident fund. The Company has no further obligation to the plan beyond its monthly contributions. Company's contribution to the provident fund is charged to Statement of Profit and Loss.

Compensated absences

The Company's current policy permits eligible employees to accumulate compensated absences up to a prescribed limit and receive cash in lieu thereof in accordance with the terms of the policy. The Company measures the expected cost of accumulating compensated absences as the additional amount that the Company expects to pay as a result of unused entitlement that has accumulated as at the reporting date. The expected cost of these benefits is calculated using the projected unit credit method by qualified actuary every year. Actuarial gains and losses arising from experience adjustment and changes in actuarial assumptions are recognised in the statement of profit and loss in the period in which they arise. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

m. Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

n. Income taxes

Income tax comprises of current and deferred income tax. Income tax expense is recognised in statement of profit and loss except to the extent that it relates to an item recognised directly in equity in which case it is recognised in other comprehensive income. Current income tax for current year and prior periods is recognised at the amount expected to be paid or recovered from the tax authorities, using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred income tax assets and liabilities are recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when:

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

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred income tax assets and liabilities are measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or substantive enactment date. A deferred income tax assets is recognised to the extent it is probable that future taxable income will be available against which the deductible temporary timing differences and tax losses can be utilised. The Company offsets income-tax assets and liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.



4 Material accounting policies (Continued..)

o. Provisions and contingencies

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

Onerous contracts

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

p. Earnings per share

Basic earnings per share is computed using the weighted average number of equity shares outstanding during the period adjusted for treasury shares held. Diluted earnings per share is computed using the weighted-average number of equity and dilutive equivalent shares outstanding during the period, using the treasury stock method for options and warrants, except where the results would be anti-dilutive.

q. Cash and cash equivalents

Cash and Cash equivalents for the purpose of Cash Flow Statement comprise cash, drafts and cheques in hand, bank balances, unencumbered demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of Cash Flow Statement.

r. Operating cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013. Operating cycle for project related assets and liabilities is the time from start of the project to their realisation in cash or cash equivalents.

s. Exceptional items

Exceptional items refer to items of income or expense within the statement of profit and loss from ordinary activities which are nonrecurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company.

t. Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Directors of the Company is responsible for allocating resources and assessing performance of the operating segments and accordingly is identified as the Chief Operating Decision Maker (CODM). All operating segments' operating results are reviewed regularly by the CODM to make decisions about resources to be allocated to the segments and assess their performance.

u. Events after reporting date

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

v. 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. For the year ended 31 March 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.



5 First Time Adoption:

5.1 Explanation of transition to Ind AS

These financial statements are the first financial statements of the Company under Ind AS. The date of transition to Ind AS is 1 April 2022. The transition is carried out from Indian GAAP (previous GAAP) to Ind AS, notified under Section 133 of the Companies Act, 2013 [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. The Company has applied exceptions and exemptions in accordance with Ind AS 101 "First-time Adoption of Indian Accounting Standards".

Exceptions :

1 Estimates :

The entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

2 Derecognition of financial assets & liabilities :

The Company has applied the de-recognition requirements of Ind AS 109 prospectively from the date of transition to Ind AS.

3 Classification and measurement of financial assets :

The Company has assessed classification and measurement of financial assets based on facts and circumstances prevalent on the date of transition to Ind AS.

4 Impairment of financial assets :

The Company has applied impairment requirements of Ind AS 109 retrospectively to financial instruments and concluded that there is no need to recognize any additional loss allowance on financial assets.

Exemptions :

1 Fair value as deemed cost exemption:

The Company has elected to measure items of property, plant and equipment and intangible assets at its carrying value as it is considered as fairly valued at the transition date

Notes to reconciliations between previous GAAP and Ind AS :

A Fair valuation of security deposits:

Under Ind AS, security deposits are carried at amortised cost. Under previous GAAP, the same were carried at cost. This difference has resulted in decrease in equity under Ind AS ₹ 0.05 Millions as at 31 March 2023 (₹ Nil as at 1 April 2022) and decrease of loss by ₹ 0.05 Millions for the year ended 31 March 2023.

B Non-current borrowings at amortised cost:

Under Ind AS, Non-current borrowings are carried at amortised cost. Under previous GAAP, the borrowings are carried at their historical cost. This difference has resulted in increase in equity under Ind AS ₹ 1.27 Millions as at 31 March 2023 (₹ 0.59 Millions as at 1 April 2022) and increase of profit by ₹ 0.68 Millions for the year ended 31 March 2023.

C Remeasurement of gratuity recognised in other comprehensive income:

Under Ind AS, the actuarial gains and losses form part of remeasurement of the net defined benefit liability and are recognised in other comprehensive income. Under previous GAAP, actuarial gains and losses were recognised in statement of profit and loss. This difference has resulted in increase of loss by ₹ 0.22 Millions for the year ended 31 March 2023.

D Leases:

Under Ind AS, lease contracts are recognised as assets and liabilities based on recognition criterias. Rent expenses paid is reversed and depreciation on right of use assets and interest on lease liability accounted in statement of profit and loss.

E Deferred Taxes:

Ind AS requires entities to account for deferred taxes using the Balance Sheet approach which focuses on temporary differences between the carrying amount of an asset or liability in the Balance Sheet and its tax base. Various transitional adjustments have led to deferred tax implications which the Company has accounted for. Deferred tax adjustments are recognised in correlation to the underlying transaction either in Retained earnings or Other Comprehensive Income on the date of transition.

F Others:

Ind AS 101 permits a first time adopter to adjust accounting practices followed under Previous GAAP if it becomes aware of an error as part of its Ind AS transition. Accordingly, on transition to Ind AS, the Company has realigned accounting.

G Regrouped, recast & reclassified

Figures of the earlier year have been reclassified to confirm to Ind AS presentation requirements.



Ratnatris Pharmaceuticals Private Limited

(Formerly known as Ratnamani Healthcare Private Limited)

Notes To The Financial Statements for the year ended 31 March 2024

5 First time adoption (Cont..)

5.2 Balance Sheet as at 1 April 2022

(₹ in Millions)

Particulars	Note	IGAAP	IndAS Adjustment	IndAS
ASSETS				
Non-current assets				
Property, plant and equipment		571.79	-	571.79
Right-of-use assets	D	-	15.65	15.65
Other Intangible assets		0.15	-	0.15
Financial assets				
Investments		0.06	-	0.06
Other financial assets	A	2.02	0.62	1.40
Deferred tax assets (net)	B, E, F	83.94	-	83.94
Income tax assets (net)	G	-	9.17	9.17
Other non-current assets	G	226.48	-	220.00
Total non-current assets		884.44	-	604.70
Current assets				
Inventories	G	178.55	-	171.05
Financial assets				
Investments		-	-	-
Trade receivables		249.16	-	249.16
Cash and cash equivalents		11.96	-	11.96
Bank balances other than cash and cash equivalents		5.02	-	5.02
Other financial assets	G	7.18	0.02	7.20
Other current assets	G	204.54	-	118.13
Total current assets		656.41	-	530.80
TOTAL ASSETS		1,540.85	-	1,135.50
EQUITY AND LIABILITIES				
Equity				
Equity share capital		18.77	-	18.77
Other equity	B, E, F	111.50	-	96.52
Total equity		130.27	-	33.75
Non-current liabilities				
Financial liabilities				
Borrowings	B, G	836.41	-	290.01
Lease liabilities	D	-	14.28	14.28
Other financial liabilities	G	4.62	-	4.62
Provisions	G	123.74	-	115.82
Deferred tax liabilities (net)	B, E, F	-	11.38	11.38
Other non-current liabilities	G	0.92	-	0.92
Total non-current liabilities		965.69	-	579.98
Current liabilities				
Financial liabilities				
Borrowings	B, G	89.86	-	69.43
Lease liabilities	D	-	0.77	0.77
Trade payables				
Dues of micro enterprises and small enterprises		195.97	-	195.97
Dues of creditors other than micro enterprises and small enterprises		118.63	-	118.63
Other financial liabilities	F, G	8.17	4.62	12.79
Provisions	F, G	-	1.14	1.14
Other current liabilities	G	32.26	-	33.18
Total current liabilities		444.89	-	521.77
Total liabilities		1,410.58	-	1,101.75
Total equity and liabilities		1,540.85	-	1,135.50



Ratnatris Pharmaceuticals Private Limited

(Formerly known as Ratnamani Healthcare Private Limited)

Notes To The Financial Statements for the year ended 31 March 2024

5 First time adoption (Cont..)

5.3 Balance Sheet as at 31 March 2023

					(₹ in Millions)
Particulars	Note	IGAAP	IndAS Adjustment	IndAS	
ASSETS					
Non-current assets					
Property, plant and equipment		587.50	-		587.50
Capital work-in-progress		26.50	-		26.50
Right-of-use assets	D	-	13.85		13.85
Other intangible assets	G	0.07	12.61		12.68
Intangible assets under development		1.27	-		1.27
Financial assets					
Investments		0.07	-		0.07
Other financial assets	A, G	22.15	19.56		2.59
Deferred tax assets (net)	A, B, D, E, F	103.55	103.55		-
Income tax assets (net)	G	-	7.60		7.60
Other non-current assets	G	226.34	219.89		6.45
Total non-current assets		967.45	308.94		658.51
Current assets					
Inventories		125.31	-		125.31
Financial assets					
Trade receivables		234.23	-		234.23
Cash and cash equivalents		0.34	-		0.34
Bank balances other than cash and cash equivalents		1.58	-		1.58
Loans		16.62	-		16.62
Other financial assets	G	3.18	19.01		22.19
Other current assets	G	213.64	129.17		84.47
Total current assets		594.90	110.16		484.74
TOTAL ASSETS		1,562.35	419.10		1,143.25
EQUITY AND LIABILITIES					
Equity					
Equity share capital		18.77	-		18.77
Other equity	A, B, D, E, F	96.10	108.67		12.57
Total equity		114.87	108.67		6.20
Non-current liabilities					
Financial liabilities					
Borrowings	B, G	948.74	426.47		522.27
Lease liabilities	D	-	13.24		13.24
Other financial liabilities	G	5.94	5.94		-
Provisions	G	114.46	108.40		6.06
Deferred tax liabilities (net)	A, B, D, E, F	-	3.71		3.71
Other non-current liabilities	G	1.31	1.31		-
Total non-current liabilities		1,070.45	525.17		545.28
Current liabilities					
Financial liabilities					
Borrowings	B, G	158.65	205.32		363.97
Lease liabilities	D	-	0.96		0.96
Trade payables					
Dues of micro enterprises and small enterprises		91.78	-		91.78
Dues of creditors other than micro enterprises and small enterprises		89.70	-		89.70
Other financial liabilities	F, G	16.09	5.95		22.04
Provisions	F, G	-	1.21		1.21
Other current liabilities	G	20.81	1.30		22.11
Total current liabilities		377.03	214.74		591.77
Total liabilities		1,447.48	310.43		1,137.05
Total equity and liabilities		1,562.35	419.10		1,143.25



5 First time adoption (Cont..)

5.4 Statement of Profit and Loss for the year ended on 31 March 2023

(₹ in Millions)

Particulars	Note	IGAAP	IndAS Adjustment	IndAS
Income				
Revenue from operations		1,164.33	-	1,164.33
Other income	G	28.41	0.05	28.46
Total Income		1,192.74	0.05	1,192.79
Expenses				
Cost of materials consumed		704.01	-	704.01
Purchases of stock-in-trade		80.64	-	80.64
Changes in inventories of finished goods, work-in-progress and stock-in-trade		(21.45)	-	(21.45)
Employee benefits expense	C	135.52	0.30	135.82
Finance costs	B, D	47.75	0.64	48.39
Depreciation and amortisation expense	D	51.80	1.80	53.60
Other expenses	D	239.49	(2.19)	237.30
Total Expenses		1,237.76	0.55	1,238.31
Profit / (Loss) Before Exceptional Items and Tax		(45.02)	(0.50)	(45.52)
Exceptional Items		10.00	-	10.00
Profit / (Loss) Before Tax		(35.02)	(0.50)	(35.52)
Tax Expenses				
Current Tax		-	-	-
Deferred Tax Charge/ (Credit)	A, B, C, D, E, F, G	(19.61)	11.86	(7.75)
Total Tax Expenses		(19.61)	11.86	(7.75)
Profit / (Loss) for the year		(15.41)	(12.36)	(27.77)
Other Comprehensive Income				
Items That Will Not Be Reclassified Subsequently to Profit or Loss				
Re-measurement (Losses)/Gains on Defined Benefit Plans	C	-	0.30	0.30
Income Tax Relating to Above	G	-	(0.08)	(0.08)
		-	0.22	0.22
Total Comprehensive Income		(15.41)	(12.14)	(27.55)

5.5 Reconciliation of equity

(₹ in Millions)

Particulars	Notes	As at 31 March 2023	As at 1 April 2022
Total equity (Shareholder's fund) as per previous GAAP		114.87	130.27
Non-current borrowings at amortised cost	B	1.27	0.59
Leases	D	(0.95)	-
Fair valuation of security deposits	A	0.05	-
Deferred Tax Adjustments	A, B, D, E, F	(109.04)	(97.11)
Total equity under Ind AS		6.20	33.75



5 First time adoption (Cont..)

5.6 Reconciliation of total comprehensive income

Particulars	Notes	(₹ in Millions)
		Year ended 31 March 2023
Profit / (Loss) after tax as per previous GAAP		(15.41)
Non-current borrowings at amortised cost	B	0.69
Leases	D	(0.94)
Fair valuation of security deposits	A	0.05
Deferred Tax Adjustments	B, D, E, F	(11.86)
Remeasurement of gratuity recognised in other comprehensive income	C	(0.30)
Profit / (Loss) after tax as per Ind AS		(27.77)
Other comprehensive income (net of tax)	C	0.22
Total comprehensive income under Ind AS		(27.55)

5.7 Cash Flow Statement

The transition from previous GAAP to Ind AS has not had a material impact on the statement of cash flows.



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Notes To The Financial Statements for the year ended 31 March 2024

6 Property, Plant and Equipment:

Particulars	(₹ in Millions)							
	Freehold Land	Buildings	Plant & Equipments	Furniture & fixtures	Vehicles	Office Equipments	Electrical Installations	Total
Gross Carrying Amount as at 1 April 2023	12.40	233.10	326.25	18.88	10.96	1.02	32.35	634.96
Additions during the year	-	-	30.10	-	2.45	-	0.06	32.61
Deductions during the year	-	-	0.94	-	-	-	-	0.94
Gross carrying amount as at 31 March 2024	12.40	233.10	355.41	18.88	13.41	1.02	32.41	666.63
Accumulated Depreciation as at 1 April 2023	-	8.46	29.53	2.82	0.98	0.55	5.12	47.46
Depreciation for the year	-	8.67	31.60	2.74	1.77	0.08	5.00	49.86
Deductions during the year	-	-	0.05	-	-	-	-	0.05
Accumulated Depreciation as at 31 March 2024	-	17.13	61.08	5.56	2.75	0.63	10.12	97.27
Net Carrying Amount as at 31 March 2024	12.40	215.97	294.33	13.32	10.66	0.39	22.29	569.36
Gross Carrying Amount as at 1 April 2022	12.40	221.62	287.97	16.19	1.71	0.81	31.09	571.79
Additions during the year	-	11.48	38.28	2.69	9.46	0.21	1.26	63.38
Deductions during the year	-	-	-	-	0.21	-	-	0.21
Gross Carrying Amount as at 31 March 2023	12.40	233.10	326.25	18.88	10.96	1.02	32.35	634.96
Accumulated Depreciation as at 1 April 2022	-	-	-	-	-	-	-	-
Depreciation for the year	-	8.46	29.53	2.82	1.04	0.55	5.12	47.52
Deductions during the year	-	-	-	-	0.06	-	-	0.06
Accumulated Depreciation as at 31 March 2023	-	8.46	29.53	2.82	0.98	0.55	5.12	47.46
Net Carrying amount as at 31 March 2023	12.40	224.64	296.72	16.06	9.98	0.47	27.23	587.50
Net Carrying amount as at 1 April 2022	12.40	221.62	287.97	16.19	1.71	0.81	31.09	571.79

Notes:

- 6.1 Refer note 22 for the property, plant and equipment which are subject to charge.
- 6.2 For capital commitments made by the Company as at the balance sheet date, see note 39.
- 6.3 The title deeds of the immovable properties are held in the earlier name of the Company.
- 6.4 Additions to research and development assets during the year are as under:

	(₹ in Millions)	
	Year ended	Year ended
	31 March 2024	31 March 2023
Plant and Equipments [including Lab Equipments]	1.00	24.08
Total	1.00	24.08



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7 Capital Work-In-Progress

Particulars	₹ in Millions)	
	As at 31 March 2024	As at 31 March 2023
Opening Balance	26.50	-
Additions during the year	2.37	26.50
Capitalised during the year	-	-
Closing Balance	28.87	26.50

7.1 Capital Work-In-Progress ageing schedule for the year ended :

As at 31 March 2024	Amount In Capital Work-In-Progress for a period of					Total
	Less than 1 year	1-2 yrs	2-3 yrs	More than 3 yrs		
Projects in Progress*	2.37	26.50	-	-	-	28.87
Total	2.37	26.50	-	-	-	28.87

As at 31 March 2023	Amount in Capital Work-In-Progress for a period of					Total
	Less than 1 year	1-2 yrs	2-3 yrs	More than 3 yrs		
Projects in Progress*	26.50	-	-	-	-	26.50
Total	26.50	-	-	-	-	26.50

As at 1 April 2022	Amount in Capital Work-In-Progress for a period of					Total
	Less than 1 year	1-2 yrs	2-3 yrs	More than 3 yrs		
Projects in Progress*	-	-	-	-	-	-
Total	-	-	-	-	-	-

7.2 For Capital-Work-In Progress, there is no project whose completion is overdue or has exceeded its cost compared to its original plan.

8 Leases:

8.1 Right-of-use Assets

	₹ in Millions)	
	Buildings	
Gross Carrying amount as at 1 April 2023	15.65	
Additions during the year	-	
Deductions during the year	-	
Gross Carrying amount as at 31 March 2024	15.65	
Accumulated Depreciation as at 1 April 2023	1.80	
Depreciation for the year	1.80	
Deductions during the year	-	
Accumulated Depreciation as at 31 March 2024	3.60	
Net Carrying amount as at 31 March 2024	12.05	
Gross Carrying amount as at 1 April 2022	15.65	
Additions during the year	-	
Deductions during the year	-	
Gross Carrying amount as at 31 March 2023	15.65	
Accumulated Depreciation as at 1 April 2022	-	
Depreciation for the year	1.80	
Deductions during the year	-	
Accumulated Depreciation as at 31 March 2023	1.80	
Net Carrying amount as at 31 March 2023	13.85	
Net Carrying amount as at 1 April 2022	15.65	



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8.2 Lease liabilities

Set out below are the Carrying amounts of Lease Liabilities recognised and movement during the year :

Particulars	As at	
	31 March 2024	31 March 2023
Balance at the beginning of the year (adopted Ind AS as 1 April 2022)	14.20	15.05
Interest on Lease Liabilities	1.32	1.32
Payments of Lease Liabilities	(2.28)	(2.17)
Balance at the end of the year	13.24	14.20

8.3 Maturity Analysis of Lease Liabilities:

Particulars	As at	
	31 March 2024	31 March 2023
Less than 1 year	2.39	2.28
1-5 years	10.84	10.32
More than 5 years	5.01	7.93
Total undiscounted Lease Liability	18.24	20.53
Less : Future Liability on Interest Account	(5.00)	(6.33)
Balance of Lease Liability	13.24	14.20
Non-current	12.06	13.24
Current	1.18	0.96

8.4 Amounts recognised in Statement of Profit and Loss:

Particulars	Year ended	
	31 March 2024	31 March 2023
Depreciation of Right of use Assets - (Refer note 33)	1.80	1.80
Interest on Lease Liabilities - (Refer note 32)	1.32	1.32
Expense relating to Short Term Lease - (Refer note 34)	0.12	0.22
Total	3.24	3.34

8.5 Other notes:

- (i) Lease contract entered by the Company along with Ratnagene Lifesciences Private Limited pertains to office buildings taken on lease to conduct its business in the ordinary course.
- (ii) The Company has not revalued its Right-of-use assets.
- (iii) Lease obligations, interest expense on lease, maturity profile of lease obligation and payment of lease obligations are disclosed respectively in Balance Sheet, Finance costs (refer note 32), Liquidity risk (refer note 42) and Statement of Cash Flows.



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9 Intangible Assets:

(₹ in Millions)

	Product related Intangibles	Computer Softwares	Total
Gross Carrying amount as at 1 April 2023	16.81	0.15	16.96
Additions during the year	11.42	1.84	13.26
Deductions during the year	-	-	-
Gross Carrying amount as at 31 March 2024	28.23	1.99	30.22
Accumulated Amortisation as at 1 April 2023	4.20	0.08	4.28
Amortisation for the year	7.06	0.10	7.16
Deductions during the year	-	-	-
Accumulated Amortisation as at 31 March 2024	11.26	0.18	11.44
Net Carrying amount as at 31 March 2024	16.97	1.81	18.78
Gross Carrying amount as at 1 April 2022	-	0.15	0.15
Additions during the year	16.81	-	16.81
Deductions during the year	-	-	-
Gross Carrying amount as at 31 March 2023	16.81	0.15	16.96
Accumulated Amortisation as at 1 April 2022	-	-	-
Amortisation for the year	4.20	0.08	4.28
Deductions during the year	-	-	-
Accumulated Amortisation as at 31 March 2023	4.20	0.08	4.28
Net Carrying amount as at 31 March 2023	12.61	0.07	12.68
Net Carrying amount as at 1 April 2022	-	0.15	0.15

10 Intangibles Assets under Development:

(₹ in Millions)

Particulars	As at	As at
	31 March 2024	31 March 2023
Opening Balance	1.27	-
Additions during the year	0.57	1.27
Capitalised during the year	(1.84)	-
Closing Balance	-	1.27

Notes:

10.1 Intangible Assets Under Development ageing schedule :

As at 31 March 2024	Amount in Intangibles Assets under Development for a period of				
	Less than 1 year	1-2 yrs	2-3 yrs	More than 3 yrs	Total
Projects in Progress*	-	-	-	-	-
Total	-	-	-	-	-

As at 31 March 2023	Amount in Intangibles Assets under Development for a period of				
	Less than 1 year	1-2 yrs	2-3 yrs	More than 3 yrs	Total
Projects in Progress*	1.27	-	-	-	1.27
Total	1.27	-	-	-	1.27

As at 1 April 2022	Amount in Intangibles Assets under Development for a period of				
	Less than 1 year	1-2 yrs	2-3 yrs	More than 3 yrs	Total
Projects in Progress*	-	-	-	-	-
Total	-	-	-	-	-



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Particulars	(₹ in Millions)		
	As at 31 March 2024	As at 31 March 2023	As at 1 April 2022
11 Investments:			
Non-current			
At cost, Unquoted			
Investment in Government Securities#	0.00	0.00	0.00
Others	0.07	0.07	0.06
Total	0.07	0.07	0.06
# Investment in National Savings Certificates amounting to ₹ 1,000.			
* Refer note 42 - Financial Instruments - Fair Value Measurement & Financial Risk Management			
12 Loans:			
[Unsecured and Considered good, unless otherwise stated] [Carried at amortised cost, except otherwise stated]			
Current			
Loans to Related Parties (refer note 44)	3.00	16.62	-
Total	3.00	16.62	-
* Refer note 42 - Financial Instruments - Fair Value Measurement & Financial Risk Management			
Note:			
(i) There are no loans which have significant increase in credit risk and which are credit impaired			
13 Other Financial Assets:			
[Unsecured and considered good, unless otherwise stated] [Carried at amortised cost, except otherwise stated]			
Non-Current			
Security Deposits	3.35	2.54	1.25
Fixed Deposit with maturity of more than 12 months	0.42	0.05	0.15
	3.77	2.59	1.40
Current			
Security Deposits			
Incentives/ Benefits Receivable from Government	4.81	2.70	7.18
Claims receivable (Indirect Tax / Insurance / Others)	-	19.00	-
Interest accrued on Deposits & Loans	0.36	0.01	0.02
Other Receivables	-	0.48	-
	5.17	22.19	7.20
* Refer note 42 - Financial Instruments - Fair Value Measurement & Financial Risk Management			
14 Income Taxes:		Year ended	Year ended
		31 March 2024	31 March 2023
(a) Charge / (Credit) recognised in the statement of Profit and Loss:			
Current Tax:			
Expense for current year		-	-
Deferred Tax:			
Deferred Tax Charge/(Credits) for the year		(40.60)	(7.75)
		(40.60)	(7.75)
(b) (Charge) / Credit recognised in other comprehensive income			
Re-measurement gains / (losses) on defined benefit plans		(0.26)	(0.08)
		(0.26)	(0.08)
(c) Reconciliation of Effective Tax Rate :			
Profit / (Loss) before Taxes		(160.19)	(35.52)
Enacted Tax rate in India		27.82%	27.82%
Expected Income Tax expenses		(44.56)	(9.88)
Adjustments to reconcile reported Income Tax expense:			
Effect of expenses not deductible in determining taxable profit		4.18	2.15
Others (net)		0.04	0.06
Adjusted Income Tax expenses		(40.34)	(7.67)
Effective Tax Rate		25.18%	21.60%



Particulars	(₹ in Millions)		
	As at 31 March 2024	As at 31 March 2023	As at 1 April 2022
(d) Deferred Tax relates to:			
Deferred Tax Assets:			
Tax Losses	157.00	125.08	116.81
Provision for Employee Benefit Expense	3.68	3.11	3.23
Expenses allowable on payment basis	7.60	-	-
MAT Credit Entitlement	1.78	1.78	1.78
Leases	0.50	0.28	-
Sub-total (A)	170.56	130.25	121.82
Deferred Tax Liabilities:			
Property, Plant and Equipment and Intangible Assets	61.23	61.21	60.64
Others	0.30	0.35	0.16
Sub-total (B)	61.53	61.56	60.80
Deferred Tax Assets / (Liabilities) net (C = A - B)	109.03	68.69	61.02
Less: earmarked against specific borrowing (refer note 22) (D)	72.40	72.40	72.40
Deferred Tax Assets / (liabilities) net (C - D)	36.63	(3.71)	(11.38)

The Deferred tax Liabilities / Assets are off-set, where the company has a legally enforceable right to set-off assets against liabilities, and are presented in balance sheet as follows:

Deferred Tax Assets	36.63	-	-
Deferred Tax Liabilities	-	3.71	11.38
	36.63	(3.71)	(11.38)

Under the Income-Tax Act, 1961, the Company is liable to pay Minimum Alternate Tax (MAT). MAT paid can be carried forward for a period of 15 years and can be set off against the future tax liabilities. MAT is recognised as a Deferred Tax Asset only when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

(e) Movement of Deferred Tax Liabilities / (Assets) during the year:

Particulars	As at 1 April 2023	Recognised in		As at 31 March 2024
		statement of Profit and Loss	Other Comp.Income	
Deferred Tax Liabilities / (Assets) in relation to:				
Tax Losses	125.08	31.92	-	157.00
Provision for Employee Benefit Expense	3.11	0.83	(0.26)	3.68
Expenses allowable on payment basis	-	7.60	-	7.60
MAT Credit Entitlement	1.78	-	-	1.78
Leases	0.28	0.22	-	0.50
Property, Plant and Equipment and Intangible Assets	(61.21)	(0.02)	-	(61.23)
Others	(0.35)	0.05	-	(0.30)
Deferred Tax Liabilities / (Assets) net	68.69	40.60	(0.26)	109.03

Particulars	As at 1 April 2022	Recognised in		As at 31 March 2023
		statement of Profit and Loss	Other Comp.Income	
Deferred Tax Liabilities / (Assets) in relation to:				
Tax Losses	116.81	8.27	-	125.08
Provision for Employee Benefit Expense	3.23	(0.04)	(0.08)	3.11
MAT Credit entitlement	1.78	-	-	1.78
Leases	-	0.28	-	0.28
Property, Plant and Equipment and Intangible Assets	(60.64)	(0.57)	-	(61.21)
Others	(0.16)	(0.19)	-	(0.35)
Deferred Tax Liabilities / (Assets) net	61.02	7.75	(0.08)	68.69

(f) Tax assets and liabilities:

Particulars	(₹ in Millions)		
	As at 31 March 2024	As at 31 March 2023	As at 1 April 2022
Income Tax Assets (Net)	5.35	7.60	9.17
Income Tax Liabilities	-	-	-



Particulars	(₹ in Millions)		
	As at 31 March 2024	As at 31 March 2023	As at 1 April 2022
15 Other Assets:			
[Unsecured And Considered Good, Unless Otherwise Stated]			
Non-current			
Capital Advances	2.31	6.45	6.48
Payment Made Under Protest	7.90	-	-
Total	10.21	6.45	6.48
Current			
Gross Indirect Taxes Recoverable	187.34	186.83	190.36
Less: earmarked against specific borrowing (refer note 22)	(107.19)	(107.19)	(107.19)
Indirect Taxes Recoverable	80.15	79.64	83.17
Advances To Suppliers	31.39	2.74	1.42
Pre-Paid Expenses	2.74	1.83	1.68
Employee Advances	0.31	0.26	0.14
Total	114.59	84.47	86.41
16 Inventories:			
[At Lower of Cost or Net Realisable Value]			
Raw Materials	51.10	59.97	132.05
Packing Materials	34.91	25.90	28.51
Work-In-Progress	50.52	6.71	11.02
Finished Goods	17.28	32.73	6.97
	153.81	125.31	178.55
Less: Inventory provision as per the NCLT scheme (Refer note)	-	-	(7.50)
	153.81	125.31	171.05
16.1 The Company (reversed)/ charged inventory write-down (net) of ₹ Nil Millions, ₹ Nil Millions and ₹ 7.5 Millions to statement of Profit and Loss for the year ended 31 March 2024, 31 March 2023 and 1 April 2022 respectively.			
16.2 Inventories are hypothecated as Security for Borrowings as disclosed under note 22.			
17 Trade Receivables:			
[Carried at amortised cost, except otherwise stated]			
(a) Gross Unsecured, Considered good	403.13	274.53	289.57
Less: Earmarked Against Specific Borrowing (Refer Note 22)	(40.14)	(40.30)	(40.41)
Unsecured, Considered good	362.99	234.23	249.16
(b) Unsecured, Credit-Impaired	-	-	-
Less : Allowance for Credit Loss	0.34	-	-
	362.65	234.23	249.16

* Refer note 42 - Financial Instruments - Fair Value Measurement & Financial Risk Management

- 17.1 Receivable From Related Parties Included Above. (Refer Note 44)
- | | 20.81 | 14.22 | 30.39 |
|--|-------|-------|-------|
| 17.2 Out of total Trade Receivables ₹ 40.14 Millions, ₹ 40.30 Millions and ₹ 40.41 Millions pertaining to 31 March 2024, 31 March 2023 and 1 April 2022 respectively are earmarked against 0% Redeemable Non-convertible Debentures. | | | |
| 17.3 Aging of Trade Receivables from the Due Date of Payment: | | | |

As at 31 March 2024	Unbilled	Not Due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1 Year - 2 Years	2 Year - 3 Years	More than 3 Years	
			(₹ in Millions)					
Undisputed								
Considered good	0.31	201.47	100.95	9.34	21.43	27.44	42.20	403.13
Credit Impaired	-	-	-	-	-	-	(40.14)	(40.14)
Less: earmarked against specific borrowing (refer note 22)	-	-	-	-	-	-	-	-
Total	0.31	201.47	100.95	9.34	21.43	27.44	2.06	362.99



17 Trade receivables (Cont.):

17.3 Aging of Trade Receivables from the Due Date of Payment:

(₹ in Millions)								
As at 31 March 2023	Unbilled	Not Due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1 Year - 2 Years	2 Year - 3 Years	More than 3 Years	
Undisputed								
Considered good	-	156.49	30.96	9.04	31.36	3.55	43.13	274.53
Credit Impaired	-	-	-	-	-	-	-	-
Less: earmarked against specific borrowing (refer note 22)	-	-	-	-	-	-	(40.30)	(40.30)
Total	-	156.49	30.96	9.04	31.36	3.55	2.83	234.23

(₹ in Millions)								
As at 1 April 2022	Unbilled	Not Due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1 Year - 2 Years	2 Year - 3 Years	More than 3 Years	
Undisputed								
Considered good	0.39	195.09	5.32	38.06	3.95	6.35	40.41	289.57
Credit Impaired	-	-	-	-	-	-	-	-
Less: earmarked against specific borrowing (refer note 22)	-	-	-	-	-	-	(40.41)	(40.41)
Total	0.39	195.09	5.32	38.06	3.95	6.35	-	249.16

Particulars	(₹ in Millions)		
	As at 31 March 2024	As at 31 March 2023	As at 1 April 2022

18 Cash and Cash Equivalents:

Balances With Banks			
- In Current Accounts	0.12	0.08	11.75
Cash On Hand	0.22	0.26	0.21
	<u>0.34</u>	<u>0.34</u>	<u>11.96</u>

* Refer note 42 - Financial Instruments - Fair Value Measurement & Financial Risk Management

19 Bank balances other than cash and cash equivalents

In Deposit Accounts - Held As Margin Money	1.58	1.58	5.02
	<u>1.58</u>	<u>1.58</u>	<u>5.02</u>

* Refer note 42 - Financial Instruments - Fair Value Measurement & Financial Risk Management



(₹ in Millions)

Particulars	As at	As at	As at
	31 March 2024	31 March 2023	1 April 2022
20 Equity Share Capital:			
Authorised			
45,00,000 [PY 45,00,000 (PPY 45,00,000)] equity shares of ₹ 10 each	45.00	45.00	45.00
	45.00	45.00	45.00
Issued, Subscribed and fully paid-up			
37,44,726 [PY 18,76,636 (PPY 18,76,636)] equity shares of ₹ 10 each	37.45	18.77	18.77
	37.45	18.77	18.77

(i) The Company has only one class of Equity Shares having a par value of ₹ 10 per share. Each holder of Equity Share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except in case of Interim Dividend. In the event of Liquidation of the Company, the holders of 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 Shareholder.

(ii) Reconciliation of Equity Shares outstanding at the beginning and at the end of the reporting year:

Particulars	31 March 2024		31 March 2023	
	No. of Shares	₹ in Millions	No. of Shares	₹ in Millions
As at the beginning of the year	1,876,636	18.77	1,876,636	18.77
Add: Issued during the year	1,868,090	18.68	-	-
Total	3,744,726	37.45	1,876,636	18.77

(iii) Details of Shareholders holding more than 5% shares in the Company

Particulars	31 March 2024	
	No. of Shares	%
Senores Pharmaceuticals Limited	2,583,861	69.00%
Ratnamani Marketing Private Limited	270,000	7.21%

Particulars	31 March 2023	
	No. of Shares	%
Ratnamani Marketing Private Limited	750,000	39.97%
Jitendra Babulal Sanghvi	250,091	13.33%
Jayanti Misrimal Sanghvi	162,000	8.63%
Kaushal Champalal Dhansali	126,818	6.76%
Dimple Manoj Sanghvi	108,000	5.75%
Manoj Prakash Sanghvi	108,000	5.75%
Pavan Misrimal Sanghvi	108,000	5.75%
Vimla Pavan Sanghvi	108,000	5.75%

(iv) Disclosure of Shareholding of Promoters:

Particulars	31 March 2024		31 March 2023		% Change during the year
	No. of Shares	%	No. of Shares	%	
Senores Pharmaceuticals Limited	2,583,861	69.00%	-	0.00%	69.00%
Ratnamani Marketing Private Limited	270,000	7.21%	750,000	39.97%	-32.75%
Jitendra Babulal Sanghvi	14,320	0.38%	250,091	13.33%	-12.94%
Jayanti Misrimal Sanghvi	162,000	4.33%	162,000	8.63%	-4.31%
Manoj Prakash Sanghvi	108,000	2.88%	108,000	5.75%	-2.87%
Dimple Manoj Sanghvi	108,000	2.88%	108,000	5.75%	-2.87%
Pavan Misrimal Sanghvi	108,000	2.88%	108,000	5.75%	-2.87%
Vimla Pavan Sanghvi	108,000	2.88%	108,000	5.75%	-2.87%
Shanti Misrimal Sanghvi	54,000	1.44%	54,000	2.88%	-1.44%
Sashi Shantilal Sanghvi	54,000	1.44%	54,000	2.88%	-1.44%



Ratnatris Pharmaceuticals Private Limited

(Formerly known as Ratnamani Healthcare Private Limited)

Notes To The Financial Statements for the year ended 31 March 2024

(iv) Disclosure Of Shareholding Of Promoters (Cont..):

Particulars	31 March 2023		1 April 2022		% Change during the year
	No. of Shares	%	No. of Shares	%	
Ratnamani Marketing Private Limited	750,000	39.97%	750,000	39.97%	0.00%
Jitendra Babulal Sanghvi	250,091	13.33%	250,091	13.33%	0.00%
Jayanti Misrimal Sanghvi	162,000	8.63%	162,000	8.63%	0.00%
Manoj Prakash Sanghvi	108,000	5.75%	108,000	5.75%	0.00%
Dimple Manoj Sanghvi	108,000	5.75%	108,000	5.75%	0.00%
Pavan Misrimal Sanghvi	108,000	5.75%	108,000	5.75%	0.00%
Vimla Pavan Sanghvi	108,000	5.75%	108,000	5.75%	0.00%
Shanti Misrimal Sanghvi	54,000	2.88%	54,000	2.88%	0.00%
Sashi Shantilal Sanghvi	54,000	2.88%	54,000	2.88%	0.00%

(v) The Company has not issued any Bonus Shares, Shares for consideration other than Cash or bought back any Shares during five years immediately Preceding the Reporting date.

Particulars	(₹ in Millions)		
	As at 31 March 2024	As at 31 March 2023	As at 1 April 2022
21 Other Equity:			
Retained Earnings	(325.86)	(206.94)	(179.39)
Securities Premium	374.38	187.57	187.57
Capital Reserve	6.80	6.80	6.80
Total	55.32	(12.57)	14.98
22 Borrowings:			
Non-Current			
Secured			
Term Loans From Banks	65.47	58.47	23.92
Unsecured			
Zero Coupon Non-Convertible Debentures (Ncds) (Refer Note 22.2 & 22.3)	0.27	0.11	-
Loans From Related Parties	357.36	305.19	365.39
Loans From Others	207.97	158.50	157.09
	631.07	522.27	546.40
Current			
Current Maturities Of Non-Current Borrowing, Secured			
Term Loans From Banks	15.72	14.95	8.20
Other Borrowings			
Secured			
Working Capital Facilities	159.44	143.53	81.59
Unsecured			
Compulsory Convertible Debentures	-	205.49	69.50
	175.16	363.97	159.29

* Refer note 42 - Financial Instruments - Fair Value Measurement & Financial Risk Management

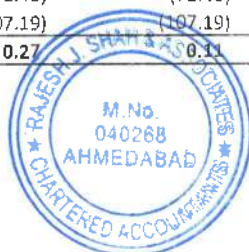
22.1 The Company has been sanctioned Working Capital limits from banks on the basis of Security of Current Assets. The Quarterly Returns or statements filed by the Company with such Banks are in agreement with the Books of Accounts of the Company.

22.2 The Company has issued Zero Coupon Redeemable Non-Convertible Debentures (NCD) amounting to ₹ 220 Millions against the partial claim of unsecured lenders of the Company. The Conditions are as follows:

- Zero Coupon NCDs will not carry any Interest and they will be unsecured.
- The redemption of Zero Coupon NCDs are linked to the recoveries of the items of Assets mentioned in 22.3.
- As and when the Company makes recovery / realization in respect of any of the above mentioned assets, these NCDs are to be redeemed to holders of NCD on progressive basis.
- If however, the Company is unable to make full recovery of the entire amount of assets as mentioned in above sub-note (ii) within period of 15 years from the date of NCLT order, Unrecovered Assets mentioned above to be written off and Zero Coupon NCDs to be written back.

22.3 As the recovery / realisation of these assets directly related to redemption of zero coupon NCDs, the Company has offset zero coupon NCDs with below mentioned assets in balance sheet presentation.

Particulars	(₹ in Millions)		
	31 March 2024	31 March 2023	1 April 2022
Zero Coupon NCDs	220.00	220.00	220.00
Trade Receivables	(40.14)	(40.30)	(40.41)
Indirect Tax Recoverable (GST)	(72.40)	(72.40)	(72.40)
Deferred Tax Assets	(107.19)	(107.19)	(107.19)
Total	0.27	0.11	-



(₹ in Millions)

Particulars	As at 31 March 2024	As at 31 March 2023	As at 1 April 2022
23 Provisions:			
Non-current			
Provision For Employee Benefits			
Post-Retirement Benefits (Refer note 41)	3.91	4.36	6.20
Leave Benefits (Refer note 41)	1.99	1.70	1.72
Total	5.90	6.06	7.92
Current			
Provision For Employee Benefits			
Post-Retirement Benefits (Refer note 41)	1.23	0.74	0.61
Leave Benefits (Refer note 41)	0.97	0.47	0.53
Total	2.20	1.21	1.14

*As at 1 April 2022, it includes the ₹ 2.50 Millions of additional liability based on the approved Compromise and Arrangement Scheme by National Company Law Tribunal ("NCLT"). The same has been written back during the FY 2022-23.

23.1 Provision for Employee Benefits

The provision for Employee Benefits includes Annual Leave and vested long service leave entitlements accrued and compensation claims made by employees. For other disclosures of Post Retirement Benefit Plans, refer note 41.

24 Trade Payables:

(Unsecured, Carried at amortised cost, except otherwise stated)

Dues of Micro Enterprises and Small Enterprises	155.45	91.78	195.97
Dues of Creditors other than Micro Enterprises and Small Enterprises	214.75	89.70	118.63
Total	370.20	181.48	314.60

* Refer note 42 - Financial Instruments - Fair Value Measurement & Financial Risk Management

24.1 These amounts represent liabilities for Goods and Services provided to the Company prior to the end of Financial Year which are unpaid. Trade and Other Payables are presented as Current Liabilities unless payment is not due within 12 months after the Reporting Period. They are recognised initially at their Fair Value and subsequently measured at amortised cost using the Effective Interest Method.

24.2 Payable to Related Parties included above. (Refer note 44)

	5.22	0.26	52.54
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24.3 Trade Payables ageing schedule for the year ended as on 31 March 2024, 31 March 2023 and 1 April 2022:

(₹ in Millions)

As at 31 March 2024	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than a year	1 - 2 Years	2 - 3 Years	More than 3 Years	
Undisputed dues							
- MSME	-	69.60	70.36	15.35	-	0.14	155.45
- Others	6.23	133.83	70.00	3.31	-	1.38	214.75
Total	6.23	203.43	140.36	18.66	-	1.52	370.20

(₹ in Millions)

As at 31 March 2023	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than a year	1 - 2 Years	2 - 3 Years	More than 3 Years	
Undisputed dues							
- MSME	-	68.14	23.50	-	0.14	-	91.78
- Others	4.33	33.09	50.36	-	0.66	1.26	89.70
Total	4.33	101.23	73.86	-	0.80	1.26	181.48

(₹ in Millions)

As at 1 April 2022	Unbilled	Not Due	Outstanding for following periods from due date of payment				Total
			Less than a year	1 - 2 Years	2 - 3 Years	More than 3 Years	
Undisputed dues							
- MSME	-	151.85	43.98	0.14	-	-	195.97
- Others	1.79	82.03	32.89	0.66	-	1.26	118.63
Total	1.79	233.88	76.87	0.80	-	1.26	314.60



24 Trade Payables (Cont.):

24.4 Disclosures required by the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 are as under :

(₹ in Millions)

Particulars	As at	As at	As at
	31 March 2024	31 March 2023	1 April 2022
(a) (i) The Principal amount remaining unpaid at the end of the year	155.45	91.78	195.97
(ii) Interest due on Principal remaining unpaid at the end of the year	-	-	-
(b) (i) The delayed payments of Principal amount paid beyond the appointed date during the year	-	-	-
(ii) Interest actually paid under Section 16 of the MSMED Act	-	-	-
(c) Normal interest due and payable during the year, for all the delayed payments, as per the agreed terms	-	-	-
(d) Total interest accrued during the year and remaining unpaid	-	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the Small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the MSMED Act	-	-	-

Identification of Micro and Small Enterprises is basis the intimation received from vendors. This has been relied upon by the auditors.

25 Other Financial Liabilities:

Current

Interest accrued but not due on Borrowings	0.92	0.46	0.18
Creditors for Capital Goods	7.40	8.77	3.56
Payables for Employee Benefits	15.97	12.81	9.05
Total	24.29	22.04	12.79

* Refer note 42 - Financial Instruments - Fair Value Measurement & Financial Risk Management

26 Other Liabilities:

Current

Advance from Customers	5.73	5.04	27.96
Payables to Statutory and Other Authorities	5.67	17.07	5.22
Total	11.40	22.11	33.18



22.4 Nature of security, interest rate, repayment terms and other information for borrowings:

Sr. No.	Particulars	31 March 2024		31 March 2023		1 April 2022		Security	Repayment Terms		
		Total	Non-Current	Current	Total	Non-Current	Current			Total	Non-Current
(a)	Term loans from banks										
	(i) HDFC Bank Limited - Term Loan	37.46	32.59	4.87	41.75	37.33	4.42	-	-	-	Repayable in 92 monthly instalments with interest rate ranging from 9.52 - 9.69 % p.a. (P.Y. 9.10 - 10.60 % p.a.)
	(ii) HDFC Bank Limited - Term Loan	20.73	18.20	2.53	-	-	-	-	-	-	Primarily secured by hypothecation by way of first and exclusive charge in all present and future stocks and book debts, and hypothecation by way of first and exclusive charge in all plant and machinery. Further, collaterally secured by Equitable Mortgage of 100 % share of NA land admeasuring about 35205 Sq. Mtr bearing amalgamated Revenue Survey No. 416 (old S. NO. 750/1 and 770) situated, laying & being at Mouje Village Indrad, Taluka KADJ and Equitable Mortgage of Factory building thereon.
	(iii) HDFC Bank Limited - Moratorium Loan	12.80	8.99	3.81	12.80	12.80	-	12.80	-	-	- Personal guarantee of Share holders more than 75 % and Collateral Security of owners, FD as cash margin for BG/LC, LC for FBD and Drul, Stock for Exports, Exports Debtors / FBD DISC.
	(iv) HDFC Bank Limited - Moratorium Loan	2.58	-	2.58	11.64	2.52	9.12	19.31	11.11	8.20	Secured against Hypothecation of Plant & Machinery, Stock viz RM, WIP, FG, Packing Material, Book Debt, Bills, Money Deposits. Further, secured by hypothecation of goods received under LC and receivable arising from sale proceeds thereof.
	(v) HDFC Bank Limited - Vehicle Loan	5.92	4.39	1.53	7.33	5.92	1.41	-	-	-	Repayable in 49 monthly instalments with interest rate 9.25 % p.a. (P.Y. ranging from 8.25 - 9.65 % p.a.)
	(vi) HDFC Bank Limited - Vehicle Loan	1.96	1.57	0.39	-	-	-	-	-	-	Repayable in 60 equated monthly instalments with interest rate of 7.90 % p.a.
		81.45	65.74	15.71	73.52	58.57	14.95	32.11	23.91	8.20	Repayable in 60 equated monthly instalments with interest rate of 8.50 % p.a.



22.4 Nature of security, interest rate, repayment terms and other information for borrowings:

Sr. No.	Particulars	31 March 2024		31 March 2023		1 April 2022		Security	Repayment Terms	
		Total	Non-Current	Current	Total	Non-Current	Current			Total
(b) Loans from related parties										
	(i) Ratnamani Marketing Private Limited	-	-	-	37.50	37.50	19.74	19.74	-	Loans payable after 7 years and it carries interest rate of 6% p.a. (except directors 0% loans)
	(ii) Remus Pharmaceuticals Limited	40.94	40.94	-	5.28	5.28	47.43	47.43	-	
	(iii) Arpit Shah	-	-	-	0.01	0.01	5.01	5.01	-	
	(iv) Swapnil Shah	-	-	-	0.01	0.01	42.51	42.51	-	
		40.94	40.94	-	42.80	42.80	114.69	114.69	-	
	(c) Loans from others	524.39	524.39	-	420.90	420.90	407.80	407.80	-	Loans payable after 7 years and it carries interest rate of 6% p.a.
(d) Convertible Debt securities										
	(i) Compulsory Convertible Debentures - SRI	-	-	-	69.50	69.50	69.50	69.50	-	- Conversion into shares will be within 12 (for SR-II) - 24 (for SR-I) months from the date of allotment, in one or more tranches, at the discretion of the Company. - The CCDs shall be converted into Equity Shares of face value of Rs. 10/- each at price as may be decided later on based on the Valuation report. - Rate of Interest or Coupon is 0% p.a.
	(ii) Compulsory Convertible Debentures - SRI	-	-	-	135.99	135.99	-	-	-	- All the debentures are unsecured and unlisted. - The CCDs by themselves do not give any right of voting in the Company. - The new Equity Shares issued on conversion of CCDs shall be in physical form and subject to the Memorandum and Articles of Association of the Company and after conversion into Equity Shares, they shall rank pari-passu in all respects with the existing issued and subscribed Equity Shares of the Company.
		-	-	-	205.49	205.49	69.50	69.50	69.50	
(e) Working Capital Facilities										
	(i) HDFC Bank Limited - Cash Credit	157.28	-	157.28	136.94	136.94	81.59	81.59	81.59	Secured against exclusive 1st charge by way of Hypothecation of entire Raw Materials, Stock-in-process, stores & spares, packing materials, finished goods and book-debits of the Company, both present & Future and personal guarantees of Directors and other Primary and Collateral Security as mentioned in above term loans
	(ii) HDFC Bank Limited - Overdraft	2.17	-	2.17	6.59	6.59	-	-	-	
		159.45	-	159.45	143.53	143.53	81.59	81.59	81.59	
Total		806.23	631.07	175.16	886.24	522.27	705.69	546.40	159.29	



(₹ in Millions)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
27 Revenue from Operations:		
(a) Revenue from Contract with Customers		
Revenue from Sale of Products	953.59	991.78
Revenue from Services	51.34	72.70
Revenue from Sale of Power generated from Windmills	4.29	4.41
	<u>1,009.22</u>	<u>1,068.89</u>
(b) Other Operating Income:		
Income from Product Registration Dossiers	18.94	79.83
Export Benefits	6.86	5.90
Sale of Scrap	3.99	5.46
Others	3.56	4.25
	<u>33.35</u>	<u>95.44</u>
Total	<u>1,042.57</u>	<u>1,164.33</u>
27.1 Reconciliation of Revenue from Operations with the Contracted Price :		
Contracted Price	1,018.62	1,109.99
Adjustments :		
Discounts	(0.08)	-
Sales Return	(9.32)	(41.10)
Revenue from Contract with Customers	<u>1,009.22</u>	<u>1,068.89</u>
Add : Other Operating Income	<u>33.35</u>	<u>95.44</u>
Revenue from Operations	<u>1,042.57</u>	<u>1,164.33</u>
27.2 Revenue Disaggregation by Geography :		
Within India	631.06	786.21
Outside India	411.51	378.12
Total	<u>1,042.57</u>	<u>1,164.33</u>
27.3 Set out below is the amount of Revenue Recognised from:		
Amounts included in Contract Liabilities at the beginning of the year	5.81	12.91
27.4 Timing of Revenue Recognition		
Goods transferred at a point in time	953.59	991.78
Services transferred over time	55.63	77.11
Total	<u>1,009.22</u>	<u>1,068.89</u>
27.5 Contract Liabilities		
The Company records a Contract Liability when cash payments are received or due in advance of its performance.		
	As at 31 March 2024	As at 31 March 2023
Advance from customers (Refer note 26)	5.73	5.04
Total	<u>5.73</u>	<u>5.04</u>
27.6 Information about Major Customers		
Three External customers for the years ended 31 March 2024 and Two Customers for the year ended 31 March 2023 represents 10% or more of the Company's total revenue.		



Ratnatris Pharmaceuticals Private Limited
(Formerly known as Ratnamani Healthcare Private Limited)
Notes To The Financial Statements for the year ended 31 March 2024

Particulars	(₹ in Millions)	
	Year ended 31 March 2024	Year ended 31 March 2023
28 Other Income:		
Interest income		
- From Fixed Deposits	0.14	0.23
- From Loans To Related Parties	0.34	0.13
- From Others	0.35	0.51
Net Foreign Exchange Gain	5.28	8.18
Rental income	-	0.69
Profit On Sale Of Property, Plant & Equipment (Net)	-	0.18
Insurance Claims	-	17.18
Provisions No Longer Required Written Back	0.01	0.01
Other Non-Operating Income	2.42	1.35
Total	8.54	28.46
29 Cost of Materials Consumed:		
Inventory at the beginning of the year	85.86	160.56
Add: Purchases	676.72	629.31
Less: Inventory at the end of the year	86.01	85.86
Total	676.57	704.01
30 Changes in Inventories of Finished Goods, Work-In-Progress and Stock-In-Trade:		
Opening inventory :		
Finished Goods	32.73	6.97
Work-In-Progress	6.71	11.02
Stock-In-Trade	-	-
	39.44	17.99
Less : Closing inventory :		
Finished Goods	17.28	32.73
Work-In-Progress	50.52	6.71
Stock-In-Trade	-	-
	67.80	39.44
Changes in Inventory	(28.36)	(21.45)
31 Employee Benefits Expense:		
Salaries and Wages	157.54	121.84
Contribution to Provident and Other Funds	9.97	7.14
Staff Welfare Expenses	5.78	6.84
Total	173.29	135.82
32 Finance Costs:		
Interest expenses on:		
- Borrowings	52.02	46.09
- Leases	1.32	1.32
- Others	0.01	-
Unwinding of Transaction Costs incurred on Borrowings	0.17	0.07
Other Borrowing Cost	1.51	0.91
Total	55.03	48.39
33 Depreciation and Amortisation Expense:		
Depreciation of Property, Plant & Equipment	49.86	47.52
Depreciation on Right-Of-Use assets	1.80	1.80
Amortisation of Intangible Assets	7.16	4.28
Total	58.82	53.60



Ratnatris Pharmaceuticals Private Limited
(Formerly known as Ratnamani Healthcare Private Limited)
Notes To The Financial Statements for the year ended 31 March 2024

Particulars	(₹ in Millions)	
	Year ended 31 March 2024	Year ended 31 March 2023
34 Other Expenses:		
Consumption of Stores and Spares	2.37	1.04
Power & Fuel	71.78	68.87
Payment to Labourers and Other Processing Charges	64.31	51.28
Laboratory Expenses	9.61	9.46
Repairs and Maintenance		
- Building	3.92	2.79
- Machinery	16.35	16.44
- Vehicles	1.23	0.87
- Others	4.38	4.00
Rent	0.12	0.22
Rates, Taxes and Fees	0.66	3.61
Insurance	5.57	2.84
Travelling and Conveyance	6.54	6.89
Communication Costs	1.99	1.63
Printing and Stationery	1.62	1.47
Legal and Professional Expenses	15.02	12.70
Auditors Remuneration (Refer details below)	0.20	0.16
Donations	0.50	0.17
Product Development Expenses	5.29	0.73
Loss on Sale / Disposal of Property, Plant & Equipment	0.40	-
Bad Debts / Advances / Sundry Balance Write off	0.55	-
Commission on Sales	0.06	0.65
Logistics & Distribution Expenses	16.79	32.46
Seminar, Exhibition and Conference Expenses	5.42	1.69
Other Marketing Expenses	2.67	9.43
Miscellaneous Expenses	9.52	7.90
Total	246.87	237.30

35 Research and Development Expenses:

Depreciation and Amortisation includes ₹ 23.36 millions (previous year ₹ 23.14 millions) pertaining to Property, Plant and Equipments and Other Intangible Assets used for Research and Development purposes.

36 Earnings Per Share:

Particulars	Units	Year ended	Year ended
		31 March 2024	31 March 2023
Net profit for the year [a]	(₹ in Millions)	(119.59)	(27.77)
Weighted average number of equity shares for Basic EPS [b]	(Nos.)	2,478,916	1,876,636
Basic EPS [a] / [b]	₹	(48.24)	(14.80)
Add: Effect of dilutive rights granted under CCD (till date of conversion)[c]*	(Nos.)	-	-
Weighted average number of equity shares for Diluted EPS [d = b + c]	₹	2,478,916	1,876,636
Diluted EPS [a] / [d]	₹	(48.24)	(14.80)
Nominal value per equity share	₹	10.00	10.00

* Effect of dilutive rights granted under Compulsory Convertible Debentures ('CCD') (till date of conversion) is anti-dilutive in nature.

During the previous year ended 31 March 2024, the conversion factor of CCD was not available and hence calculation of diluted EPS would be same as basic EPS.

37 Auditors Remuneration:

Particulars	(₹ in Millions)	
	Year ended 31 March 2024	Year ended 31 March 2023
(a) As Audit Fees		
Statutory Audit Fees	0.13	0.10
Tax Audit Fees	0.05	0.04
(b) For Other Services	0.02	0.02
Total	0.20	0.16



(₹ in Millions)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
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38 Exceptional Items

Exceptional items are those which are considered for separate disclosure in the financial statements considering their size, nature or incidence. During the year ended 31 March 2023, the Company has written back ₹ 10.00 Millions provisions relating to diminution in value of inventories and retirement benefits made based on NCLT order.

39 Commitments and contingencies:

Commitments:

Estimated amount of contracts remaining unexecuted on capital account (net of advances) not provided for	1.32	-
	<u>1.32</u>	<u>-</u>

Contingent liabilities:

Corporate guarantees given to banks against credit facilities availed by related parties (Refer note 44)	772.50	-
Claims against the Company not acknowledged as debts :		
Disputed demand of income tax for which appeals before first appellate authority have been preferred AY 2021-22	158.83	-
Disputed demand of income tax for which appeals before appellate authority have been preferred AY 2018-19	46.29	46.29
	<u>977.62</u>	<u>46.29</u>

40 Details of loan given, investment made and guarantee given covered u/s 186 (4) of the Companies Act, 2013:

(a) The details of loans given by the Company to entities controlled by the KMPs:

Name of the Company	Loan given		Maximum Amount outstanding during the year	Balance as at	
	2023-24	2022-23		31 March 2024	31 March 2023
Ratnagene Lifescience Private Limited	-	13.00	10.08	-	10.08
Renosen Pharmaceuticals Private Limited	-	6.50	6.54	3.00	6.54

(b) The details of guarantees given by the Company to entities controlled by the KMPs:

Name of the Company	Guarantee given		Maximum Amount outstanding during the year	Balance as at	
	2023-24	2022-23		31 March 2024	31 March 2023
Ratnagene Lifescience Private Limited	372.50	-	372.50	372.50	-
Senores Pharmaceuticals Limited	400.00	-	400.00	400.00	-

(c) There are no loans where either no interest is charged or interest is below the rate specified in section 186 of the Companies Act, 2013, wherever applicable.

(d) Other than above, the Company has not given any loans or advances in the nature of loan to, guarantee given and investment made in any of associates or firms / companies in which Directors are interested.



41 Employee Benefits:

41.1 Defined Contribution Plan

Contributions are made to Employee Provident Fund (EPF), Employees State Insurance Scheme (ESIC) and other funds which covers all regular employees. While both the employees and the Company make predetermined contributions to the Provident Fund and ESIC and other statutory funds are made only by the Company. The contributions are normally based on a certain percentage of the employee's salary. Amount recognised as expense in respect of these defined contribution plans.

Particulars	(₹ in Millions)	
	Year ended	Year ended
	31 March 2024	31 March 2023
Contribution to Provident Fund	7.96	5.86
Contribution to ESIC and Employees Deposit Linked Insurance (EDLI)	1.07	1.03
Contribution to Labour Welfare Fund	0.01	0.01
Total	9.04	6.90

41.2 Defined Benefit Plan

The accruing liability on account of retirement benefit plans (in the nature of defined benefits plan) is accounted as per Ind-AS 19 "Employee Benefits".

General description of the plan :

The Company operates a defined benefit plan (the gratuity plan) covering eligible employees, which provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employees basic salary and the tenure of employment.

Interest risk:

A fall in the discount rate which is linked to the Government Security Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Investment risk:

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting year on government bonds. If the return on plan asset is below this rate, it will create plan deficit.

Longevity risk:

Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Salary risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Particulars	(₹ in Millions)	
	As at	As at
	31 March 2024	31 March 2023
(a) Reconciliation of opening and closing balances of the present value of the defined benefit obligation :		
Obligations at the beginning of the year	5.10	4.30
Current Service Cost	1.41	1.45
Interest Cost	0.37	0.30
Actuarial (Gain) / losses	(0.93)	(0.30)
Benefits paid directly by the employer	(0.81)	(0.65)
Obligations at the end of the year	<u>5.14</u>	<u>5.10</u>
(b) Amount recognized in Balance Sheet		
Liability at the end of the period	<u>5.14</u>	<u>5.10</u>
Net Amount recognized in Balance Sheet	<u>5.14</u>	<u>5.10</u>



41 Employee Benefits: (cont.):

Particulars	(₹ in Millions)	
	Year ended 31 March 2024	Year ended 31 March 2023
(c) Expense recognised in the statement of profit and loss for the year :		
Current Service Cost	1.41	1.45
Net interest on net defined benefit liability	0.37	0.30
Net Gratuity Cost	<u>1.78</u>	<u>1.75</u>
(d) Expenses recognised in other Comprehensive Income for the year :		
Actuarial (Gains)/Losses - Due to Change in Demographic Assumptions	(0.61)	(0.72)
Actuarial (Gains)/Losses - Due to Change in financial assumptions	0.02	(0.09)
Actuarial (Gains)/Losses - Due to experience adjustments	(0.34)	0.51
Total	<u>(0.93)</u>	<u>(0.30)</u>
(e) Assumptions :		
Discount rate*	7.14%	7.31%
Salary Escalation rate	8.00%	8.00%
Mortality Rate	Indian Assured Lives Mortality 2012-14 (Urban).	

* The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

(f) Sensitivity Analysis for each significant actuarial assumption :

The significant actuarial assumptions for the determination of the defined benefit obligations are discount rate and expected salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Particulars	(₹ in Millions)	
	As at 31 March 2024	As at 31 March 2023
Impact of increase in discount rate by 1 %	(0.13)	(0.20)
Impact of decrease in discount rate by 1 %	0.14	0.22
Impact of increase in salary escalation rate by 1 %	0.14	0.22
Impact of decrease in salary escalation rate by 1 %	(0.13)	(0.20)
Impact of increase in employee turnover rate by 1 %	(0.05)	(0.05)
Impact of decrease in employee turnover rate by 1 %	0.05	0.05

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

(g) Maturity profile :

Undiscounted values	(₹ in Millions)	
	As at 31 March 2024	As at 31 March 2024
Projected benefits payable in future years from the date of reporting:		
1st following year	1.23	0.74
2nd following year	0.90	0.73
3rd following year	0.82	0.71
4th following year	0.77	0.68
5th following year	0.69	0.74
Sum of Years 6 To 10	1.58	2.20
Sum of Years 11 and above	<u>0.43</u>	<u>1.53</u>



42 Financial Instruments:

42.1 Accounting Classification and Fair Values:

Carrying amounts and Fair values of Financial Assets and Financial Liabilities, including their levels in the fair value hierarchy, are presented below.

As at 31 March 2024

(₹ in Millions)

Particulars	Carrying Value				Fair Value			
	At Cost	At FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Investments	0.07	-	-	0.07	-	-	-	-
Trade Receivables	-	-	362.65	362.65	-	-	362.65	362.65
Cash and Cash Equivalents	-	-	0.34	0.34	-	-	0.34	0.34
Other Bank Balances	-	-	1.58	1.58	-	-	1.58	1.58
Loans	-	-	3.00	3.00	-	-	3.00	3.00
Others	-	-	8.94	8.94	-	-	8.94	8.94
Total Financial Assets	0.07	-	376.51	376.58	-	-	376.51	376.51
Financial Liabilities								
Borrowings	-	-	806.23	806.23	-	-	806.23	806.23
Lease Liability	-	-	13.24	13.24	-	-	13.24	13.24
Trade Payable	-	-	370.20	370.20	-	-	370.20	370.20
Others	-	-	24.29	24.29	-	-	24.29	24.29
Total Financial Liabilities	-	-	1,213.96	1,213.96	-	-	1,213.96	1,213.96

As at 31 March 2023

(₹ in Millions)

Particulars	Carrying Value				Fair Value			
	At Cost	At FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Investments	0.07	-	-	0.07	-	-	-	-
Trade Receivables	-	-	234.23	234.23	-	-	234.23	234.23
Cash and Cash Equivalents	-	-	0.34	0.34	-	-	0.34	0.34
Other Bank Balances	-	-	1.58	1.58	-	-	1.58	1.58
Loans	-	-	16.62	16.62	-	-	16.62	16.62
Others	-	-	24.78	24.78	-	-	24.78	24.78
Total Financial Assets	0.07	-	277.55	277.62	-	-	277.55	277.55
Financial Liabilities								
Borrowings	-	-	886.24	886.24	-	-	886.24	886.24
Lease Liability	-	-	14.20	14.20	-	-	14.20	14.20
Trade Payable	-	-	181.48	181.48	-	-	181.48	181.48
Others	-	-	22.04	22.04	-	-	22.04	22.04
Total Financial Liabilities	-	-	1,103.96	1,103.96	-	-	1,103.96	1,103.96

As at 1 April 2022

(₹ in Millions)

Particulars	Carrying Value				Fair Value			
	At Cost	At FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Investments	0.06	-	-	0.06	-	-	-	-
Trade Receivables	-	-	249.16	249.16	-	-	249.16	249.16
Cash and Cash Equivalents	-	-	11.96	11.96	-	-	11.96	11.96
Other Bank Balances	-	-	5.02	5.02	-	-	5.02	5.02
Loans	-	-	-	-	-	-	-	-
Others	-	-	8.60	8.60	-	-	8.60	8.60
Total Financial Assets	0.06	-	274.74	274.80	-	-	274.74	274.74
Financial Liabilities								
Borrowings	-	-	705.69	705.69	-	-	705.69	705.69
Lease Liability	-	-	15.05	15.05	-	-	15.05	15.05
Trade Payable	-	-	314.60	314.60	-	-	314.60	314.60
Others	-	-	12.79	12.79	-	-	12.79	12.79
Total Financial Liabilities	-	-	1,048.13	1,048.13	-	-	1,048.13	1,048.13



42 Financial Instruments (cont.):

(i) Financial Instrument measured at Amortised Cost:

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are reasonable approximation of their fair values since the company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

(ii) Levels 1, 2 and 3

Level 1 : It includes investment in equity shares and mutual fund that has a quoted price and which are actively traded on the stock exchanges. It is valued using the closing price as at the reporting period on the stock exchanges.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

(iii) There have been no transfers between Level 1 and Level 2 during the years.

42.2 Financial Risk Management:

The Company's activities are exposed to variety of financial risks. These risks include market risk (including foreign exchange risk and interest rate risks), credit risks and liquidity risk. The Company's overall risk management program seeks to minimize potential adverse effects on the financial performance of the Company through established policies and processes which are laid down to ascertain the extent of risks, setting appropriate limits, controls, continuous monitoring and its compliance.

(a) Market Risk :

Market risk refers to the possibility that changes in the market rates may have impact on the Company's profits or the value of its holding of financial instruments. The Company is exposed to market risks on account of foreign exchange rates and interest rates.

(a1) Foreign Currency Exchange Rate Risk :

The Company's foreign currency risk arises from its foreign currency transactions. The fluctuation in foreign currency exchange rates may have potential impact on the income statement and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Company.

The Company's revenue is partially comes in foreign currency and major part of the costs are in Indian Rupees, any movement in currency rates would have impact on the Company's performance. Consequently, the overall objective of the foreign currency risk management is to minimize the short term currency impact on its revenue and cash-flow in order to improve the predictability of the financial performance.

The following table sets forth information relating to foreign currency exposure from non-derivative financial instruments:

Particulars	(₹ in Millions)					
	31 March 2024		31 March 2023		1 April 2022	
	USD	₹	USD	₹	USD	₹
Assets						
Trade Receivables	2.06	171.45	1.49	122.67	1.40	106.22
Net Assets	2.06	171.45	1.49	122.67	1.40	106.22

Profit or loss is sensitive to higher / lower gain / loss on foreign currency denominated monetary assets and liabilities as a result of change in fluctuation in foreign currency exchange rate. The following table demonstrates the sensitivity of foreign currency denominated monetary assets and liabilities to a reasonably possible change in foreign currency exchange rates. The risk estimates provided assume a parallel shift of 2% change in exchange rate. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average outstanding during the period.

Particulars	Impact on Profit / (Loss) After Tax		
	31 March 2024	31 March 2023	1 April 2022
Change in exchange rate by +2%	2.48	1.77	1.53
Change in exchange rate by -2%	(2.48)	(1.77)	(1.53)



42 Financial Instruments (cont.):

(a2) 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 seeks to mitigate such risk by maintaining an adequate proportion of floating and fixed interest rate borrowings. The Company's borrowings are at fixed rate 73.46%, 76.35% and 83.89% as at 31 March 2024, 31 March 2023 and as at 1 April 2022 respectively. Summary of financial assets and financial liabilities has been provided below:

Exposure to Interest Rate Risk

The interest rate profile of the Company's interest-bearing financial instrument as reported to management is as follows:

Particulars	(₹ in Millions)		
	As at 31 March 2024	As at 31 March 2023	As at 1 April 2022
Fixed-Rate Instruments			
Financial Assets	5.00	18.25	5.17
Financial Liabilities	592.25	676.62	591.98
Variable-Rate Instruments			
Financial Liabilities	213.98	209.62	113.71

Interest Rate Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates. The following table demonstrates the sensitivity of floating rate financial instruments to a reasonably possible change in interest rates. The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

Particulars	(₹ in Millions)		
	31 March 2024	31 March 2023	1 April 2022
Increase in 100 basis points	(1.54)	(1.51)	(0.82)
Decrease in 100 basis points	1.54	1.51	0.82

(b) Credit Risk :

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Financial instruments that are subject to concentrations of credit risk materially consists of trade receivables, loans, balances with bank and bank deposits.

All trade receivables are subject to credit risk exposure. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country, in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through established policies, controls relating to credit approvals and procedures for continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. There are 2 customers amounting to ₹ 128.90 Millions, 3 customers amounting to ₹ 125.32 Millions and 4 customers amounting to ₹ 164.28 Millions contributes to more than 10% of outstanding accounts receivable as at 31 March 2024, 31 March 2023 and 1 April 2022 respectively.

Exposure to Credit Risk

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was ₹ 443.43 Millions, ₹ 333.79 Millions and ₹ 315.00 Millions as at 31 March 2024, 31 March 2023 and 1 April 2022 respectively, being the total carrying value of trade receivables, balances with bank, bank deposits, loans and other financial assets.

In respect of financial guarantees provided by the Company to banks/financial institutions, the maximum exposure which the Company is exposed to is the maximum amount which the Company would have to pay if the guarantee is called upon. Based on the expectation at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the guarantees provided.



42 Financial Instruments (cont.):

(c) Liquidity Risk :

Liquidity risk refers to the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company generates cash flows from operations to meet its financial obligations, maintains adequate liquid assets in the form of cash & cash equivalents and has undrawn short term line of credits from banks to ensure necessary liquidity.

Contractual maturities of significant financial liabilities are as below:

As at 31 March 2024 (₹ in Millions)

Particulars	Due in	Due in	Due in	Due after	Total
	Year 0 to 1	Year 1 to 2	Year 2 to 5	Year 5	
Borrowings*	175.34	13.81	39.04	579.14	807.33
Lease Liabilities	1.18	1.42	5.98	4.66	13.24
Trade Payables	370.20	-	-	-	370.20
Other Financial Liabilities	24.29	-	-	-	24.29
Total	571.01	15.23	45.02	583.80	1,215.06

As at 31 March 2023 (₹ in Millions)

Particulars	Due in	Due in	Due in	Due after	Total
	Year 0 to 1	Year 1 to 2	Year 2 to 5	Year 5	
Borrowings*	158.66	12.98	31.85	478.57	682.06
Lease Liabilities	0.96	1.18	5.00	7.06	14.20
Trade Payables	181.48	-	-	-	181.48
Other Financial Liabilities	22.04	-	-	-	22.04
Total	363.14	14.16	36.85	485.63	899.78

As at 1 April 2022 (₹ in Millions)

Particulars	Due in	Due in	Due in	Due after	Total
	Year 0 to 1	Year 1 to 2	Year 2 to 5	Year 5	
Borrowings*	89.86	9.03	15.13	522.72	636.74
Lease Liabilities	0.77	0.96	4.30	9.02	15.05
Trade Payables	314.60	-	-	-	314.60
Other Financial Liabilities	12.79	-	-	-	12.79
Total	418.02	9.99	19.43	531.74	979.18

*Excluding amortised cost adjustment and compulsory convertible debentures as it will not create any liquidity risk for the Company.

43 Capital Management

The Company's capital management is intended to create value for shareholders by facilitating the achievement of long-term and short-term goals of the Company.

The Company determines the amount of capital required on the basis of annual business plan coupled with long-term and short term strategic investment and expansion plans. The funding needs are met through equity, cash generated from operations, long-term and short-term bank borrowings and issue of non-convertible debt securities.

The Company monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Company. Net debt includes interest bearing borrowings including lease liabilities less cash and cash equivalents, other bank balances (including non-current earmarked balances).

The table below summarises the capital, net debt and net debt to equity ratio of the Company.

Particulars	(₹ in Millions)		
	As at 31-Mar-24	As at 31-Mar-23	As at 01-Apr-22
Total Equity (Incl. compulsory convertible debt securities)	92.77	211.69	103.25
Adjusted Net Equity (A)	92.77	211.69	103.25
Gross Debt (Excl. compulsory convertible debt securities)	819.47	694.95	651.24
Less: Cash and Cash Equivalents	(0.34)	(0.34)	(11.96)
Less: Bank Balances Other than Cash and Cash Equivalents	(2.00)	(1.63)	(5.17)
Adjusted Net Debt (B)	817.13	692.98	634.11
Net Debt to Equity Ratio (B / A)	8.81	3.27	6.14



44 Related Party Disclosures:

44.1 List of related parties with whom the Company had transactions during the year:

Holding Company:	Enterprise having significant influence over Company:
Senores Pharmaceuticals Limited (W.e.f. 5 December 2023)	Ratnamani Marketing Private Limitedes (Till 4 December 2023)
Key Management Personnel ("KMP") (incl. KMP of holding company):	
Mr. Jitendra B. Sanghvi - Director	Mr. Swapnil J. Shah - Director
Mr. Arpit D. Shah - Director	Mr. Rishabh M. Sanghvi - Director

Mr. Deval R. Shah - Director in holding co. (W.e.f. 5 December 2023)

Relatives of KMPs:

Mrs. Pinky J. Sanghvi
Mrs. Rama A. Shah
Mrs. Anar S. Shah

Fellow Subsidiaries (w.e.f 5 December 2023):

Ratnagene Lifescience Private Limited
Senores Pharmaceuticals Inc.

Entities controlled by Key Managerial Personnel ("KMP") and / or their close family members:

Babulal M. Sanghvi HUF
Sumer Enterprises LLP
Aelius Projects LLP
Everlane Properties LLP
Newmark Properties LLP
Calypto Hospitality LLP
Espee Therapeutics LLP
Espee Pharmachem Private Limited
Espee Lifesciences Private Limited
Espee Pharma (UK) Limited
Mascoat Industries
Ramaya Estate Developers Private Limited

44.2 The disclosures pertaining to related parties and transactions therewith are set out in the table below :

Particulars	Holding Company						Enterprise having significant influence over Company		Key Management Personnel				Entities controlled by 'KMP' and /or their close family members				Total				
	2023-24		2022-23		2023-24		2022-23		2023-24		2022-23		2023-24		2022-23		2023-24		2022-23		
(a) Nature of Transactions*																					
Revenue from sale of products & Services	16.33	-	-	-	-	-	-	-	-	-	-	79.12	94.87	2.39	-	-	-	-	-	97.84	94.87
Purchase of material, consumables etc	-	-	-	-	-	-	-	-	-	-	-	1.96	59.05	(0.97)	-	-	-	-	-	0.99	59.05
Interest income	-	-	-	-	-	-	-	-	-	-	-	0.34	0.09	-	-	-	-	-	-	0.34	0.09
Recovery of expenses	0.06	-	-	-	-	-	-	-	-	-	1.27	2.03	-	-	-	-	-	-	-	1.33	2.03
Remuneration	-	-	-	-	-	-	-	7.20	9.00	-	-	-	-	-	-	-	-	-	-	7.20	9.00
Interest expense	-	-	-	-	-	-	-	-	-	2.16	-	0.44	3.16	-	-	-	-	-	-	0.44	5.32
Other expenses	-	-	-	-	-	-	-	-	-	-	-	2.40	0.60	-	-	-	-	-	-	3.90	0.60



Ratnatris Pharmaceuticals Private Limited
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Notes to the financial statements for the year ended 31 March 2024

44 Related Party Disclosures: (Cont..)

44.2 The disclosures pertaining to related parties and transactions therewith are set out in the table below :

Particulars	(₹ in Millions)											
	Holding Company		Enterprise having significant influence over Company		Key Management Personnel		Entities controlled by 'KMP' and /or their close family members		Fellow Subsidiaries		Total	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23		
(a) Nature of Transactions*												
Expenses reimbursement	6.25	-	-	-	-	-	1.57	7.43	-	-	7.82	7.43
Loans given	-	-	-	-	-	-	-	19.50	-	-	-	19.50
Repayment of loan received	-	-	-	-	-	-	13.58	3.00	-	-	13.58	3.00
Borrowing taken	-	-	-	109.00	-	-	40.94	91.00	-	-	40.94	324.00
Borrowing repaid	-	-	-	93.40	-	0.01	5.28	136.31	-	-	5.29	401.21
Corporate guarantee given	-	-	-	-	-	-	772.50	-	-	-	772.50	-
(b) Balances at the end of the year												
Trade receivables	-	-	-	-	-	-	12.74	9.84	3.76	-	16.50	9.84
Loans	-	-	-	-	-	-	3.00	16.62	-	-	3.00	16.62
Trade payables	5.00	-	-	-	0.11	-	0.22	0.26	-	-	5.33	0.26
Payables for employee benefits	-	-	-	-	0.39	-	-	-	-	-	0.39	0.39
Borrowing	-	-	-	37.50	-	-	40.94	5.28	-	-	40.94	42.79
Interest payable	-	-	-	-	-	-	0.40	-	-	-	0.40	-
Outstanding corporate guarantee given	400.00	-	-	-	-	-	-	-	372.50	-	772.50	-

*Above transaction values are excluding taxes

Terms and conditions of transactions with related parties

All related party transactions entered during the year were in ordinary course of the business and are on arm's length basis.



45 Segment Information:

The chief operational decision maker (CODM) monitors the operating results of its Business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108. Pharmaceuticals business is identified as single operating segment for the purpose of making decision on allocation of resources and assessing its performance.

46 On 20 September 2022, National Company Law Tribunal ("NCLT") has approved the scheme of Compromise and Arrangement between the Company and equity shareholders and class of unsecured creditors of the Company under section 230 to 232 of Companies Act, 2013. Based on the order received from NCLT, the Company has given following effects in the books of accounts.

- (i) The Company has written off accumulated losses of the Company, reduction in equity share capital and securities premium, impairment of Property, plant and equipment and written down value of Inventories, written off misc. deposits, additional provisions for employee benefits, written back of unsecured loans. This has resulted in to ₹ 6.81 Millions of capital reserve.

Particulars	₹ in Millions
Reduction of Accumulated losses	- 431.22
Impairment of Property, Plant & Equipment	- 106.89
Written Down Value in Inventories	- 7.50
Additional Provision for Employee Benefits	- 2.50
Written Off Misc. Deposits	- 1.24
Reduction of Share Capital and Securities Premium	19.79
Written Back Unsecured Loans	536.37
Total	6.81

- (ii) The Company has issued Zero Coupon Redeemable Non-Convertible Debentures amounting to ₹ 220 Millions against the partial claim of unsecured lenders of the Company with conditions attached to it. (Refer note 22.2)

- (iii) The Company has issued 10 FY fresh 756,636 equity shares at premium of ₹ 100 each amounting to ₹ 28.23 Millions. All of the above effect has been given on appointed date 1 April 2021.

47 Additional Regulatory information pursuant to the requirement in Division II of schedule III to the Companies Act, 2013::

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (iv) The Company has not advanced or loaned or invested funds to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: (a) 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 (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (v) The Company has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: (a) 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 (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vi) 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).
- (vii) The Company is not declared as wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
- (viii) The Company has not revalued any of its Property, Plant and Equipment (including Right-of-Use Assets) during the year.
- (ix) The Company doesn't have any co-owned properties or the properties (including properties for which the lease agreement executed and disclosed as 'Right-of-Use Assets' in financial statements) for which title deed are held by the others. (except as mentioned note 5 and 8)
- (x) 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 Companies Act, 2013), either severally or jointly with any other person (except disclosed in note 40).
- (xi) The Company has used the borrowings from the banks for its intended purpose during the financial year.
- (xii) The Company did not have any transaction with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the current and previous financial year.



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48 Ratio Analysis:

Sr. No.	Ratios	Year ended 31 March 2024	Year ended 31 March 2023	Variance	Reasons
(a)	Current Ratio (In times) : Current Assets / Current Liabilities	1.10	0.82	33.9%	Refer note (i)
(b)	Debt Equity ratio (In times) : Total Debt / Shareholder's Equity Total Debt: Non-Current Borrowings + Current Borrowings & Shareholder's Equity: Equity Share Capital + Other Equity	8.69	142.94	-93.9%	Refer note (i)
(c)	Debt Service Coverage Ratio (In times) : Profit After Tax + Deferred Tax + Depreciation and Amortisation + Interest on debt and lease / Interest on debt and lease + Principal repayments of Long term debt including lease payment	0.68	1.03	-166.1%	Refer note (ii)
(d)	Return on Equity Ratio (In %) : Net profit after Taxes / Average Shareholder's Equity	-241.67%	-139.02%	73.8%	Refer note (ii)
(e)	Inventory Turnover (In times): Revenue from Sale of Products / Average Inventories	6.83	6.69	2.1%	N.A.
(f)	Debtors Turnover (In times): Revenue from contract with Customers / Average Trade Receivables	3.38	4.42	-23.5%	N.A.
(g)	Trade Payables Turnover (In times): Revenue from sale of products / Average Trade Payables	3.46	4.00	-13.5%	N.A.
(h)	Net Capital Turnover Ratio: Net Sales/Working Capital	16.82	9.27	-281.5%	Refer note (iii)
(i)	Net Profit Ratio (In %): Net Profit/Net Sales	-12.54%	-2.80%	347.9%	Refer note (ii)
(j)	Return on Capital Employed (In %): EBIT/Capital Employed	-12.19%	1.44%	-945.6%	Refer note (ii)
(k)	Return on Investment (In %): Interest Income / Average loans & Time Deposits	6.19%	4.61%	34.3%	Refer note (iv)

Note:

- (i) During the year, mainly ₹ 205.40 Millions worth of Compulsory Convertible Debentures has been converted into Equity shares with premium.
- (ii) During the year, the Company has negative EBIT (Profit before Interest and taxes) and compared to previous year loss also increased. This has turned all profitability ratio in negative zone.
- (iii) Previous year, as on reporting date the working capital (Current assets - current liability) was negative and in current year it becomes positive.
- (iv) Loan given in the last quarter of the previous year and because of the same return on investment has come lower for previous year.



49 These financial statements were authorised for issuance by the Company's Board of Directors on 27 May 2024.

50 The Indian Parliament has approved the Code on Social Security, 2020 ('Code') which may impact the contributions made by the Company towards Provident Fund and Gratuity. The Company will evaluate the impact once the corresponding rules are notified and will give appropriate effect in the financial statements in the period in which the Code becomes effective and the related rules are notified.

51 Events occurring after the Balance Sheet Date

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to approval of the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of 21 May 2024, there are no subsequent events to be recognized or reported.

In Terms Of Our Report Attached
For Rajesh J. Shah & Associates
Chartered Accountants
Firm's Registration No: 108407W

Rajesh J. Shah
Partner

Membership No. 40268
UDIN : 24040268BKHUR18386
Place: Ahmedabad
Date: 27 May 2024

For and Behalf of Board of Directors of
Ratnatris Pharmaceuticals Private Limited
(Formerly known as Ratnamani Healthcare Private Limited)
CIN : U24230GJ2005PTC047394

Jitendra B. Sanghvi
Director
DIN 00271995

Place: Ahmedabad
Date: 27 May 2024

Swapnil J. Shah
Director
DIN 05259821

